

ASX ANNOUNCEMENT

Date: 31 August 2017

Number: 534/310817

IMPACT RAISES \$2 MILLION

- **\$2 million raised via Placement of Shortfall from the recent Share Purchase Plan**
- **Funds to be primarily used for the ongoing drill programme and resource work at the Commonwealth gold-silver-base metals project in New South Wales**

Impact Minerals Limited (ASX:IPT) is pleased to announce that it has completed a Placement of \$2 million of the Shortfall from the Company's recent Share Purchase Plan following recent results from the ongoing drill programme at the 100% owned Commonwealth Project, 100 km north of Orange in New South Wales.

Impact Minerals' Managing Director, Dr Mike Jones, said "We are very pleased to have had strong and mostly unsolicited demand for this shortfall because we are now well funded to continue the major drill programme at our emerging high grade gold-silver discovery at Silica Hill."

The Company has received firm commitments from sophisticated and professional investors to raise \$2.0 million through the Placement, being 111,111,111 Shares and 166,666,667 free attaching Quoted Options.

Shares and free attaching Quoted Options issued under the Placement will be issued on the same terms and conditions as those under the Share Purchase Plan, being 1.8 cents for each Share, with three free attaching Quoted Options exercisable at 4 cents on or before 15 June 2020 for every two new Shares subscribed for.

The Company will lodge a prospectus with ASIC for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the Shares and Options issued under the Placement.

For further information please contact:

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



Silica Hill

Commonwealth Resource

Introduction

Impact has 3 major projects each with the potential for the discovery of a major mine.

1. **Commonwealth Project – NSW (IPT 100%)**

- ▶ Multi-million ounce gold potential in the Cadia-Ridgeway region
- ▶ High grade gold-silver-zinc-lead Inferred Resource of 110,000 eq. gold ounces
- ▶ Currently drilling with 12 holes completed, a further 8 holes planned to test extensions to the resource: excellent results received to date
- ▶ Planned infill drilling late 2017 to increase size and quality of the Resource

2. **Mulga Tank – WA (IPT 100%)**

- ▶ Large greenstone belt prospective for gold and nickel.
- ▶ 10 priority targets for gold and nickel
- ▶ First pass drilling to commence in October 2017

3. **Broken Hill – NSW (IPT 100%)**

- ▶ Potential for > 1 million ounces of platinum group metals PGM's along a 60km belt
- ▶ VTEM Survey planned for Q4 2017
- ▶ Follow up drilling of high grade PGM's Q1-Q2 2018

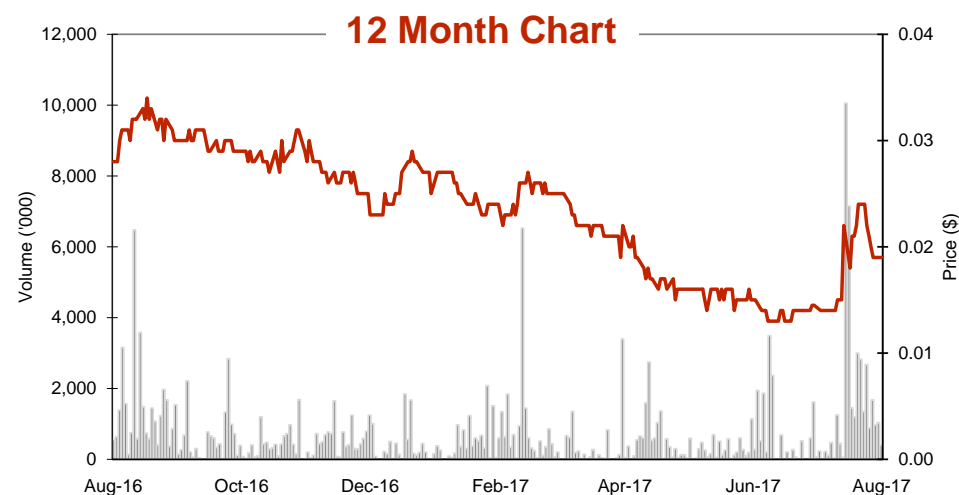
Company Snapshot

Capital Structure

Listed on ASX	November 2006
Shares on Issue	848.4m
Options/Warrants	89m listed 4¢ 15/06/20 IPTOA 67.5m unlisted Executive 75.4m unlisted Squadron
Convertible Note	\$2m – Squadron Resources Mandatory conversion to shares at 2.1¢
Share Price	2.0¢
Market Cap	\$17m
Cash	\$1.4m (July 2017) – now \$3.4m
12 month liquidity	\$4.3m

Shareholders

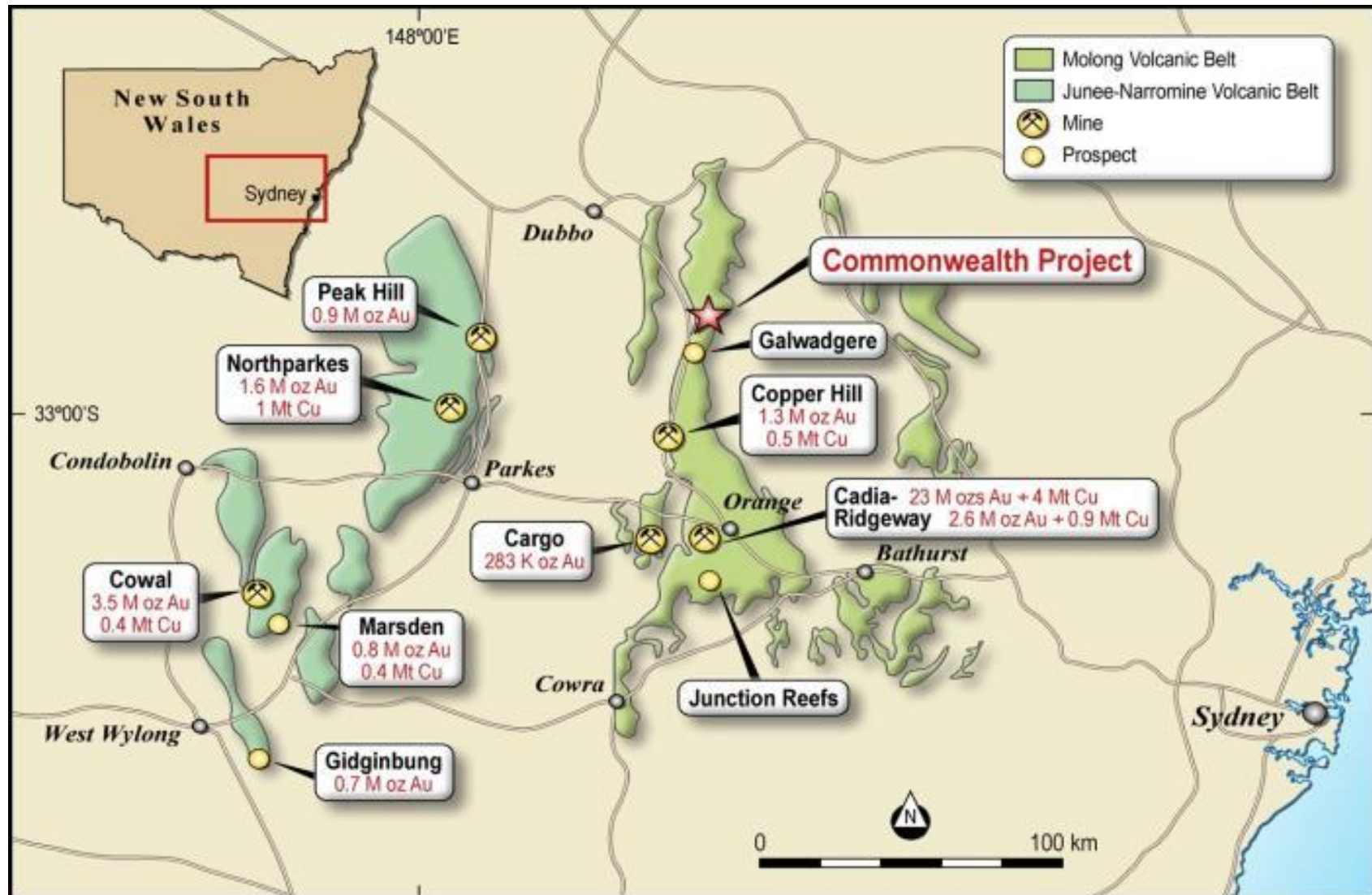
Bunnenberg Family	22%
Squadron Resources	5.6%
ABC Beteiligungen	4.5%
Directors	5%
Top 20	55%
Top 50	65%
No of Shareholders	1,800



Commonwealth Project (NSW) | Overview

- ▶ Emerging high grade gold and silver discovery 100 km north of Orange, NSW.
- ▶ 100% owned project, part of 1000 sq km landholding in a prolific mining province.
- ▶ **Drill programme in progress** – Mineralisation extended to 250m and still open
- ▶ Drilling is adding to existing resource base of 100,000oz gold equivalent.
- ▶ Drill programme to continue to scope out and demonstrate potential for a major increase in the resource.
- ▶ 12 drill holes so far: assays for 7 received all with robust minable widths and grades.
- ▶ **Resource definition drilling to commence as soon as practicable and into 2018**
- ▶ Mineralisation is unique in Australia and similar to major high grade-low tonnage orebodies around the world in particular the 3.5 million ounce Eskay Creek gold-silver mine in Canada.

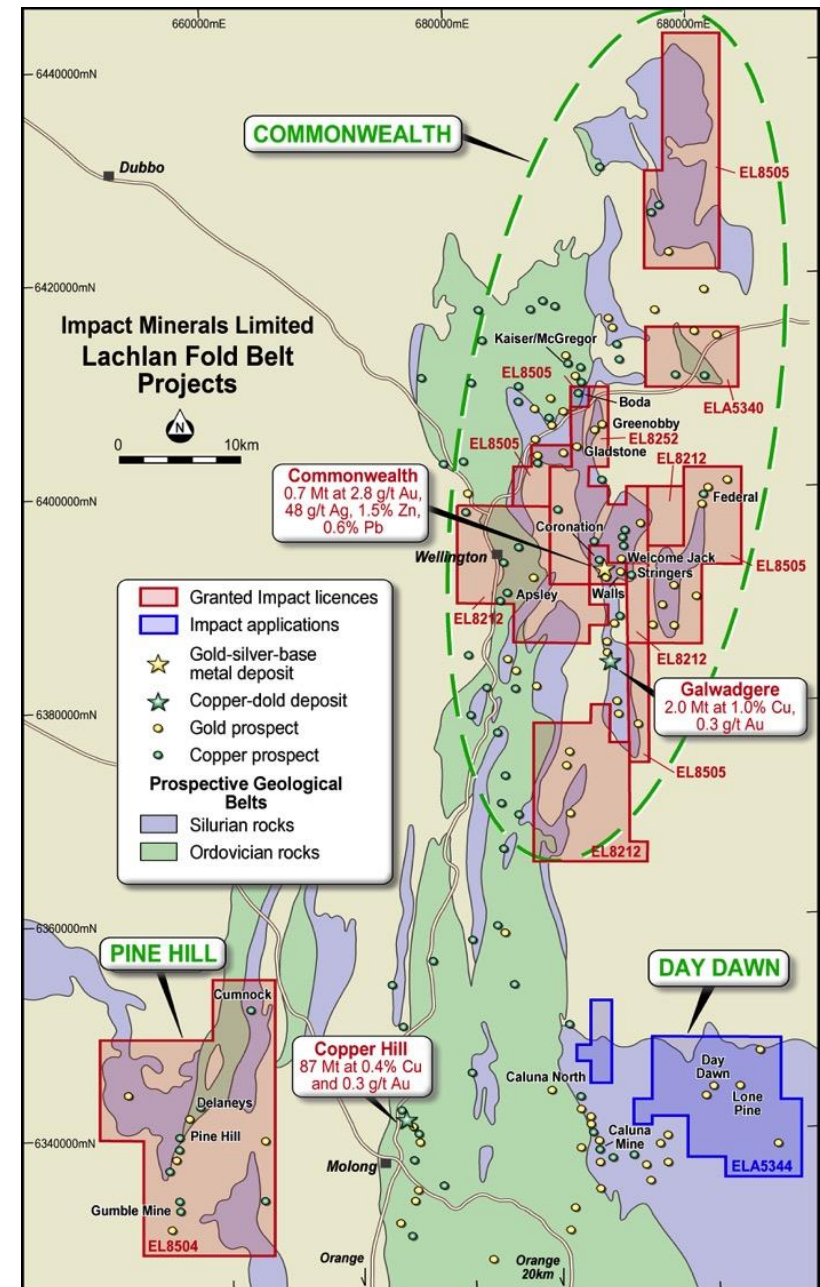
Location: Major Copper-Gold Mining Province, NSW



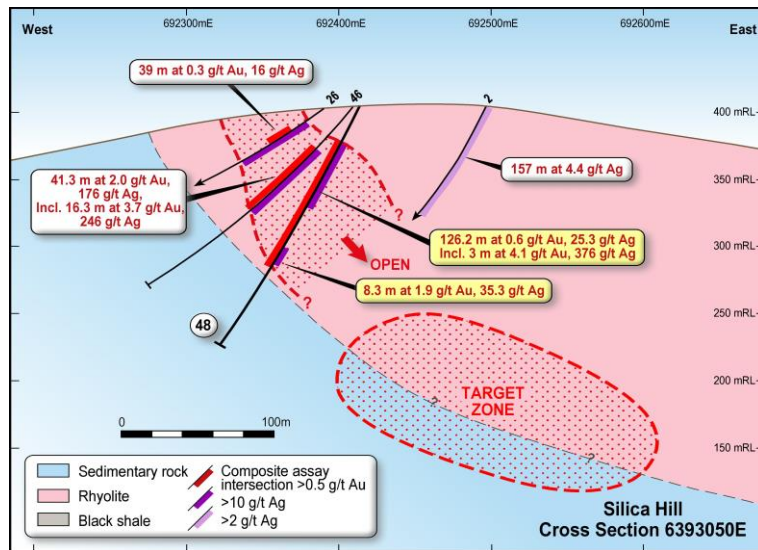
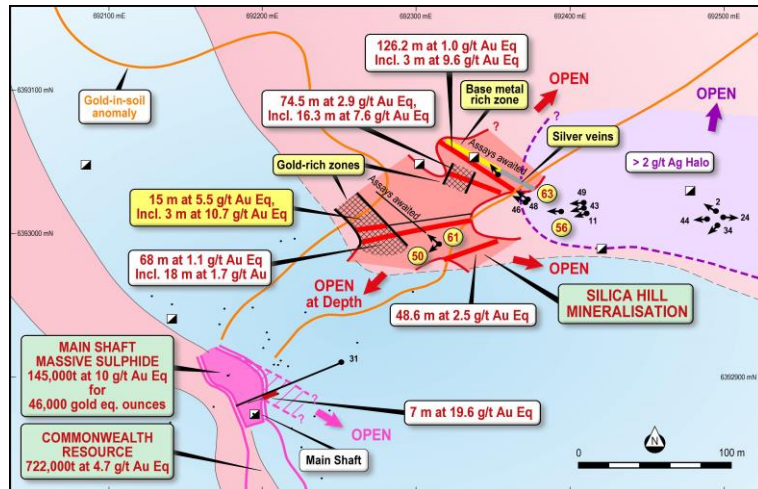
Commonwealth Project

Very large land holding: 1,000 sq km in the highly prospective, underexplored belt with potential for 2 types of deposit

- ▶ Volcanogenic Massive Sulphide
eg Woodlawn analogue (near Canberra)
7 million ounces gold equivalent
- ▶ Porphyry copper-gold
eg Cadia-Ridgeway (near Orange)
40 million ounces gold and 12 million tonnes copper
- ▶ Multiple targets over 5 square kilometres
- ▶ Drill programme in progress
- ▶ Drilling to continue until year end at least
- ▶ Revised resource statement Q1-Q2 2018



High Grade Gold-Silver Discovery Beneath Silica Hill



- ▶ Mineralisation discovered over 250m of strike and down to 100 m below surface.
- ▶ Open in all directions.
- ▶ Drilling still in progress with significant assays expected over the next two months
- ▶ Aim to scope out deposit prior to resource definition drilling
- ▶ Preliminary studies show open pit potential
- ▶ Previous high grade intercepts include:

CMIPT046:

41.3m at 4.7 g/t gold eq (2.0 g/t gold and 176 g/t silver) from 61m;

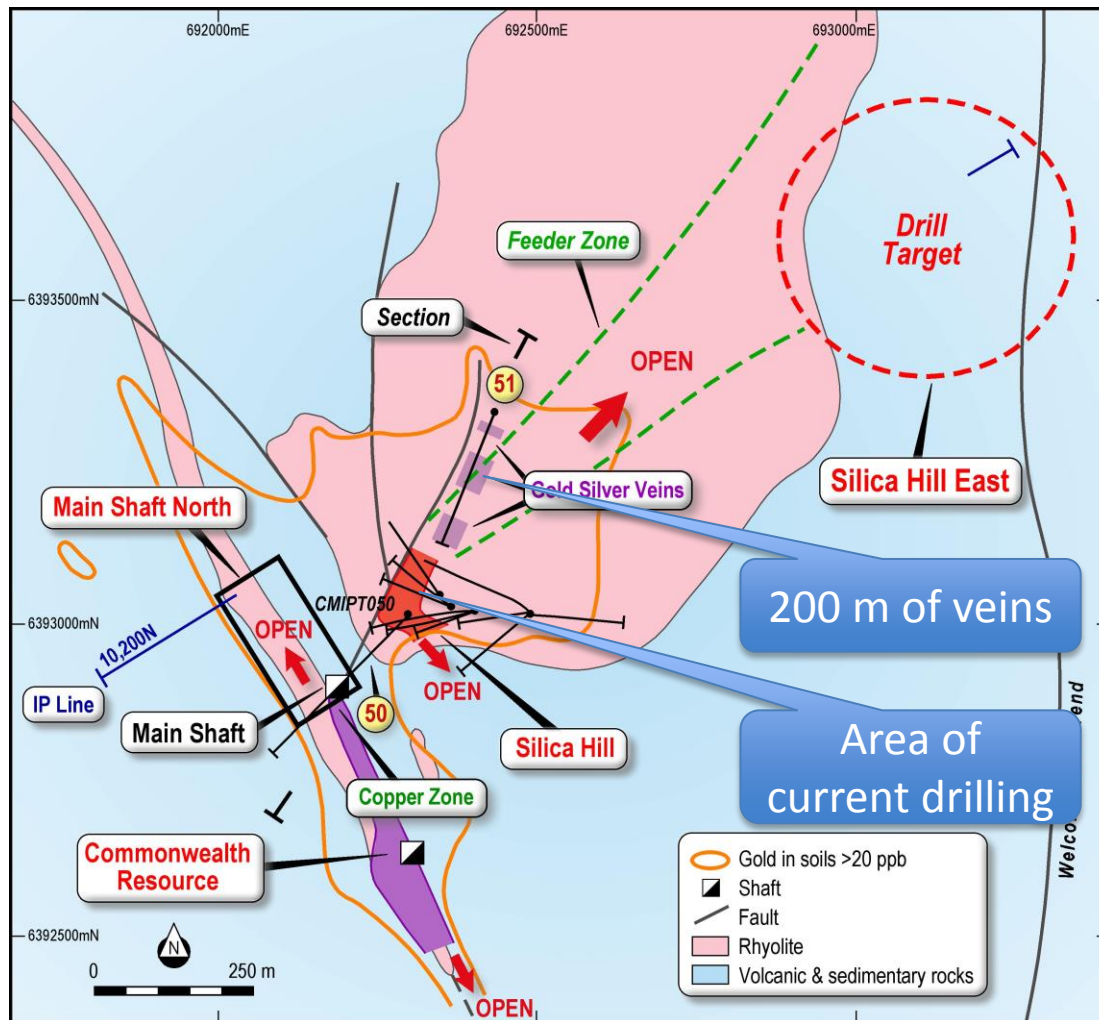
- ▶ including 16.3m at 7.6 g/t gold eq (3.7 g/t Au and 246 g/t Ag) from 86m
- ▶ including 0.3m at 23 g/t gold and 1,110 g/t silver (32 oz)

CMIPT11:

48.6 m at 0.5 g/t gold and 137 g/t silver from 122m

- ▶ including 0.9m at 2.4 g/t gold and 3,146 g/t silver (100 oz) from 148m

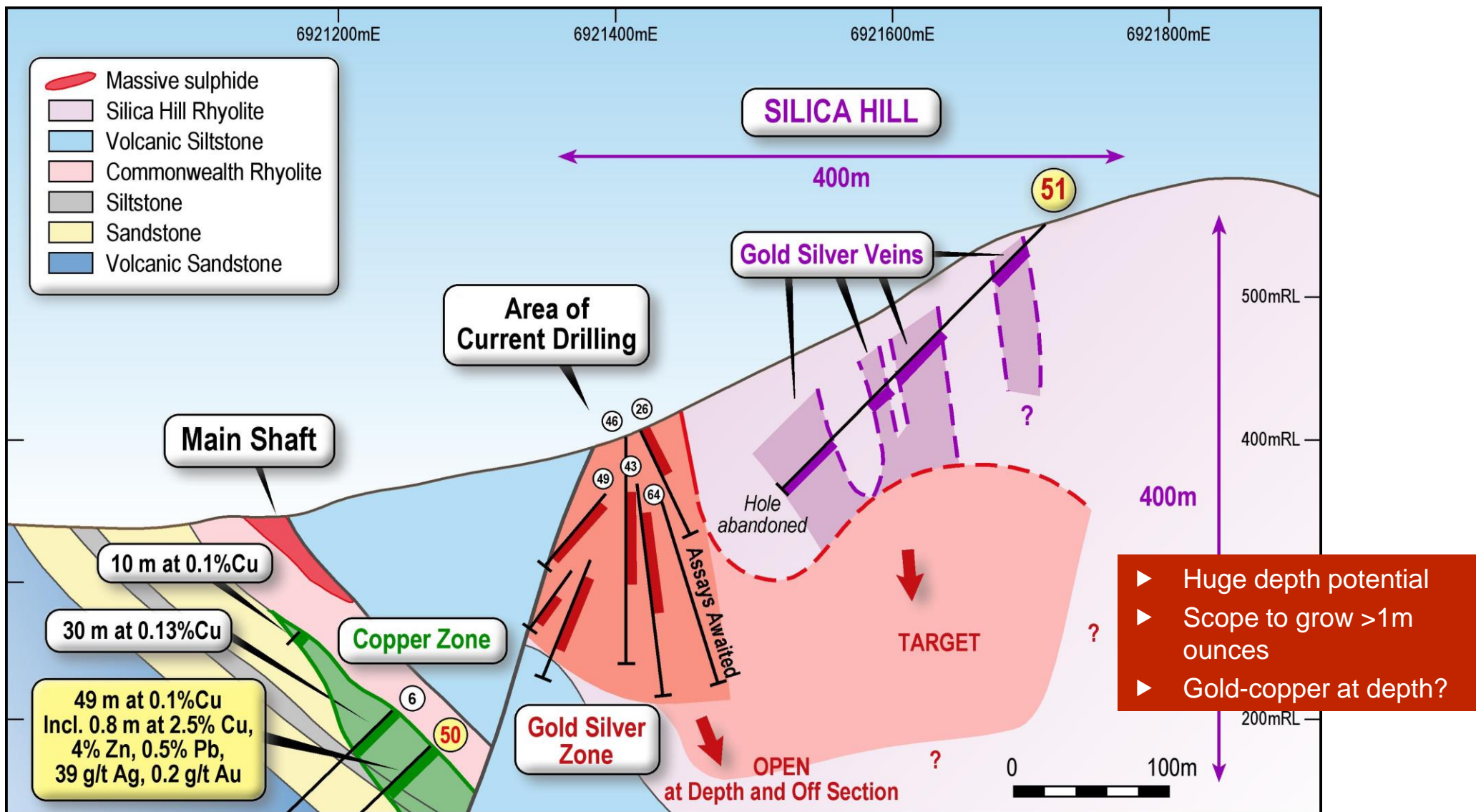
Extension of Silica Hill for at least 1,000m along trend



Extension of the system for **1,000m** to the north east confirmed by:

- ▶ Recent drill results show upper parts of system extend for at least 200m north of current drilling
- ▶ Geophysics (IP chargeability/conductivity)
- ▶ Soil Geochemistry: Gold silver barium
- ▶ Field checking

Significant Depth Potential below current drilling



Current Resource Statement: Inferred Resource

Category	Tonnes	Au ppm	Ag ppm	Cu%	Pb%	Zn%
Inferred	722,000	2.8	48	0.1	0.6	1.5

- ▶ 722,000 tonnes at 4.5 g/t gold equivalent for **110,000 gold equivalent ounces**
- ▶ Including 145,000 tonnes at 10 g/t gold equivalent for 47,000 gold eq oz
- ▶ (4.5 g/t Au, 142 g/t silver, 4.8% zinc, 1.7% lead, 0.2% copper)
>1,000 oz gold equivalent per vertical metre from surface
- ▶ Potential very profitable starter pit

New Resource Definition Drill Programme

- ▶ Approx. 3,000m of diamond and RC drilling to commence by year end to define new Inferred and Indicated Resource in Q2 2018.
- ▶ Results indicate a significant increase in resources and re-rating.

Next Steps at Commonwealth-Silica Hill

- ▶ Continue to extend the mineralised zone and scope out the size of the system by further drilling at Main Shaft North and Silica Hill East.
- ▶ A further 8 holes are planned for about 1,600m of drilling.
- ▶ Looking to extend mineralised zone by up to 1,000m.
- ▶ Commence resource drill out of 3,000m by year end and into 2018.
- ▶ New resource statement due in Q2 2018.
- ▶ Commence early stage environmental monitoring studies.
- ▶ Commence metallurgical test work and preliminary mining studies.

Proposed Capital Raising

- ▶ Placement of Shortfall from June SPP of up to 111.1m new shares and 166.7m options to raise \$2.0m.
- ▶ Placement at 1.8¢ with a free 3 for 2 listed option (IPTOA – trading at 0.5¢ per option)
- ▶ Issue Price of 1.8¢ represents:
 - 10% discount to last sale of 2.0¢
 - 8.1% discount to 5 day VWAP of 1.96¢
 - 52.8% discount to combined share/option package of 2.75¢
- ▶ Funds will top up existing cash of \$1.4m allowing company to maintain exploration momentum on drilling success at Silica Hill and commence resource definition drill programme by end of 2017

Use of Funds	2017-2018
Commonwealth: Drilling and Resource Work	\$1.0m
Other Projects	\$0.5m
Working Capital and Issue Costs	\$0.5m
Total	\$2.0m

Proposed Capital Raising

Indicative Capital

	Shares (m)	Options (m)	Amt Raised (A\$m)
Existing Securities	848.4	89.5	-
Shortfall Placement	111.1	166.7	\$2.0
Total	959.5	256.2	\$2.0

Indicative Timetable

Event	Date
Trading halt	29 August
Firm Commitments Received	30 August
Announce shortfall Placement to ASX	31 August
Settlement	4 September
Allotment of Securities	5 September
Quotation of shares and options on ASX	6 September

Investment Summary

- ▶ Emerging high grade gold-silver discovery at Commonwealth
- ▶ Strong news flow over the next few weeks of drill assays from current drill programme
- ▶ Resource definition drilling to commence by end 2017
- ▶ New resource statement in Q2 2018
- ▶ First pass drilling of priority gold and nickel targets at Mulga Tank Q4 2017
- ▶ Strong news flow over the next 12 months

Disclaimer and Competent Persons Statement

What You Should Know

Find out more – This presentation is being used as a presenter's aid with summarised information. See Impact's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au or www.impactminerals.com.au, for more information.

The information contained in this presentation is not financial product advice. The presentation is for information purposes and is of a general and summary nature only. It does not constitute an offer. Impact Minerals Limited (**Impact**) gives no warranties in relation to the statements and information in this presentation. Investors should seek appropriate advice on their own objectives, financial situation and needs.

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Taking action – Please undertake your own evaluation of the information in this presentation and contact your professional advisers if you wish to buy or sell Impact shares.

Competent Person Statement and JORC Compliance

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

Commonwealth Resource Statement: The information in this report which relates to Mineral Resources is based upon information compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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. Ian Glacken consents to the the inclusion in the release of a summary based upon his information in the form and context in which it appears.

JORC Compliance - 1

Resource and Reserve estimates: The information in this presentation relating to Exploration Results and estimates of Mineral Resources have been extracted from the following reports:

ASX Release Date	Title of ASX Release
25 August 2017	Silica Hill continues to grow
15 August 2017	Drill programme extended as high grade silver results add to gold assays at Silica Hill
4 August 2017	Thick widths of visible silver and base metal veins in first two diamond drill holes at Silica Hill
20 July 2017	Best gold results to date at the Silica Hill Prospect, Commonwealth Project NSW
6 June 2017	New drill targets at the Silica Hill East Prospect, Commonwealth Project
2 June 2017	VTEM-IP at Broken Hill
31 May 2017	Two new 5km trends identified as prospective for high grade gold-silver at Commonwealth
25 May 2017	Priority drill targets for massive sulphide at Main Shaft North, Commonwealth NSW
9 May 2017	Priority drill targets for gold-silver at Silica Hill
5 May 2017	Copper-cobalt-gold potential of the Broken Hill Project
22 February 2017	Silica Hill and Commonwealth continue to expand

JORC Compliance - 2

Resource and Reserve estimates: The information in this presentation relating to Exploration Results and estimates of Mineral Resources have been extracted from the following reports:

ASX Release Date	Title of ASX Release
14 October 2016	Impact triples landholding around the Commonwealth Project in the Lachlan Fold Belt NSW
13 September 2016	High grade gold and silver at Silica Hill
2 September 2016	Bonanza silver grades at Silica Hill
8 August 2016	75 metre thick zone of gold-silver-base metal mineralisation discovered at Silica Hill
30 June 2016	High grade extensions to the Commonwealth Deposit and Walls
19 February 2016	22% zinc among further high grade zinc-lead-silver at Red Hill/Dora East Broken Hill
3 February 2016	Very high grade PGM-copper-nickel in massive sulphide at Platinum Springs Broken Hill
8 December 2015	Exceptional zinc-silver grades at Red Hill
2 November 2015	Further significant results at Red hill
26 October 2015	High grade rare PGM's at Broken Hill
23 October 2015	Extremely high grade drill intercept at Broken Hill

JORC Compliance - 3

Resource and Reserve estimates: The information in this presentation relating to estimates of Exploration Results and Mineral Resources have been extracted from the following reports:

ASX Release Date	Title of ASX Release
17 July 2015	New Cornerstone Investor: Minderoo Group to invest up to \$7.3m
19 May 2015	Widespread high grade rare platinum group metals confirmed in large arc east of Broken Hill
17 April 2015	High Grades of Rare but Potentially Economic PGM Elements Assayed at Impact's Broken Hill Project
1 April 2015	New Drill Targets for High Grade Copper-Nickel-Platinum Group Metals at Broken Hill
19 February 2015	Maiden High Grade Resource at Commonwealth, NSW
6 February 2015	Impact Moves to 100% of the Mulga Tank Ni-Cu-PGE Project
23 January 2015	Further High Grade PGE-Copper-Nickel Assays returned at the Red Hill Prospect, Broken Hill
17 December 2014	High Grade Copper-Nickel-PGE Assays at Red Hill Prospect, Broken Hill
22 October 2014	Assays Confirm 1 Km2 High Grade Gold-Silver Project at Commonwealth, NSW
22 September 2014	Bonanza Gold Grades at Commonwealth South
1 July 2014	Major Porphyry Copper-Gold and High-Grade Epithermal Gold-Silver-Base Metal Potential Revealed at the Commonwealth Project, NSW

JORC 2012 Compliance - 2

The ASX releases referenced in the previous slide are on the Impact website at www.impactminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the most recent market announcement for each deposit and, in the case of Mineral Resources and 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 materially modified from the original market announcement.

Platinum Equivalent Calculations for Broken Hill

Platinum equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent platinum percentage. These results are Exploration Results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Platinum equivalent conversion factors and long-term price assumptions used in \$A dollars are as follows:

Platinum \$1,528/ounce; palladium \$1,015/ounce; rhodium \$1,506 /ounce; osmium \$500/ounce; iridium \$763/ounce, ruthenium \$65/ounce, gold \$1581/ounce, copper \$3.60/lb and nickel \$7.54/lb.

Gold Equivalent Calculations for Commonwealth

Gold equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent gold percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Gold equivalent conversion factors and long-term price assumptions used are as follows:

Gold \$1581/ ounce, silver \$22.21/ounce, copper \$7,320/tonne, lead \$2,345.94/tonne; zinc \$2,74/ tonne.