ASX ANNOUNCEMENT

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TRIAL MINING AT THE BLACKRIDGE GOLD PROJECT, CLERMONT QUEENSLAND.

- **1.6 million tonnes to be trial mined at Impact's Blackridge gold project, Queensland.**
- **Tribute mining agreement sees private contractor carry all costs for mining, processing and rehabilitation.**
- **De-risks maiden mine start for Impact which will receive a royalty payment during the trial.**
- **Results of trial mining will determine Blackridge's potential as a larger open pit gold mine.**

Trial mining of up to 1,000,000 loose cubic metres (about 1.6 million tonnes) will be undertaken at Impact Minerals Limited's (ASX:IPT) Blackridge gold project located 25 km north of Clermont in central east Queensland following an agreement for tribute mining with a private contractor (Figures 1 and 2).

Under the tribute agreement, signed with Queensland-based Nimble Resources Pty Ltd, Nimble will provide all set up, mining, processing and rehabilitation costs at the project.

In return Impact has financially de-risked the next significant stage of exploration and development of Blackridge and will also benefit from the receipt of a sliding scale Net Smelter Royalty (NSR) of up to 15% depending on the average monthly grade of gold mined.

The trial mining phase, if successful, would be major step forward in demonstrating the potential for a larger open pit mine at Blackridge and follows the recent recognition of large volumes of free-digging oxide ore with exceptional gold recoveries of more than 95% by wet gravity processing methods in recent bulk sampling programmes (IPT ASX Releases October 23rd 2018 and September 18th 2019).

The bulk sampling programmes were done in conjunction with Nimble, who, encouraged by the results, subsequently approached Impact to initiate the trial mining programme.

Nimble has specialist skills and equipment in both wet and in particular dry gravity gold processing technologies. Nimble believes that a large portion of the oxide material at Blackridge may potentially be dry processed and in the first instance will trial a proprietary dry processing technology with a throughput capacity of about 90 cubic metres per hour (about 150 tonnes per hour).

In addition Impact will work with Nimble to determine optimal processing routes for the other two material types in the deposit which are not suitable for dry processing: wet clay-rich material and less oxidised to fresh bedrock.

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Work is now in progress to finalise a Plan of Operations to be submitted to the Queensland Department of Natural Resources, Mines and Energy (DNRME) for approval with mining to commence as soon as practicable afterwards. It is possible but not guaranteed that mining could commence before the end of the year. The mining process, being dry, is only operable outside of the wet season and this will reduce the operating time during the year. Further details will be released as appropriate.

Impact Minerals Limited Managing Director Dr Mike Jones said *"This agreement is a very positive step forward for the Blackridge project. We know that the best way to determine grade in coarse gold deposits such as Blackridge is to simply start mining. This is inherently very high risk and so this agreement gives Impact a very low risk entry to mining by trial mining of only a modest part of the mineralised area which extends over at least 1,500 metres along trend. In addition Impact, under the royalty payment provisions will receive at least a modest cash flow from the trial".*

"Having worked with Nimble Resources for the past 18 months Impact has established that the company is a very capable operator and we look forward to working with them and starting the trial as quickly as practicable. The use of their dry processing technology in the first instance also significantly decreases the environmental risk and the large water requirements for a wet processing plant. Impact will also continue to assess other processing alternatives for other material types which are key targets for the larger scale potential at Blackridge" he said.

ABOUT THE TRIAL MINING AND TRIBUTE AGREEMENT

The trial mining programme has been capped at 1,000,000 (one million) loose cubic metres of oxide material over a maximum 3 year period. This is approximately 1.6 million tonnes (IPT ASX Release September 18th 2019).

As an example, one million cubic metres represents an area of about 310 metres by 310 metres in size and which is about 10 metres thick. Figure 1 shows such an area for comparison although it is emphasised that this is **NOT** where the mining will occur. It is evident that only a relatively small proportion of the potentially mineralised area at the project will be mined during the trial mining period.

Accordingly should this phase of work be successful Impact will retain its ownership of the project for a potentially larger development.

The mining will commence on Impact's 100% owned fully granted mining lease ML2386 (Figure 1) and progress to the other mining lease applications as and when they are granted and, subject to statutory approvals, this is expected to be later this year. Final negotiations for landowner compensation and two Native Title agreements required on ML100159 and ML100160 are in progress.

Impact will receive a sliding Net Smelter Royalty depending on the average grade mined each month (and net of any state royalties) that will vary from a minimum of 2.5% NSR for an average grade mined of up to 0.25 g/m^3 to a maximum of 15% NSR for an average mined grade of more than 1 g/m^3.

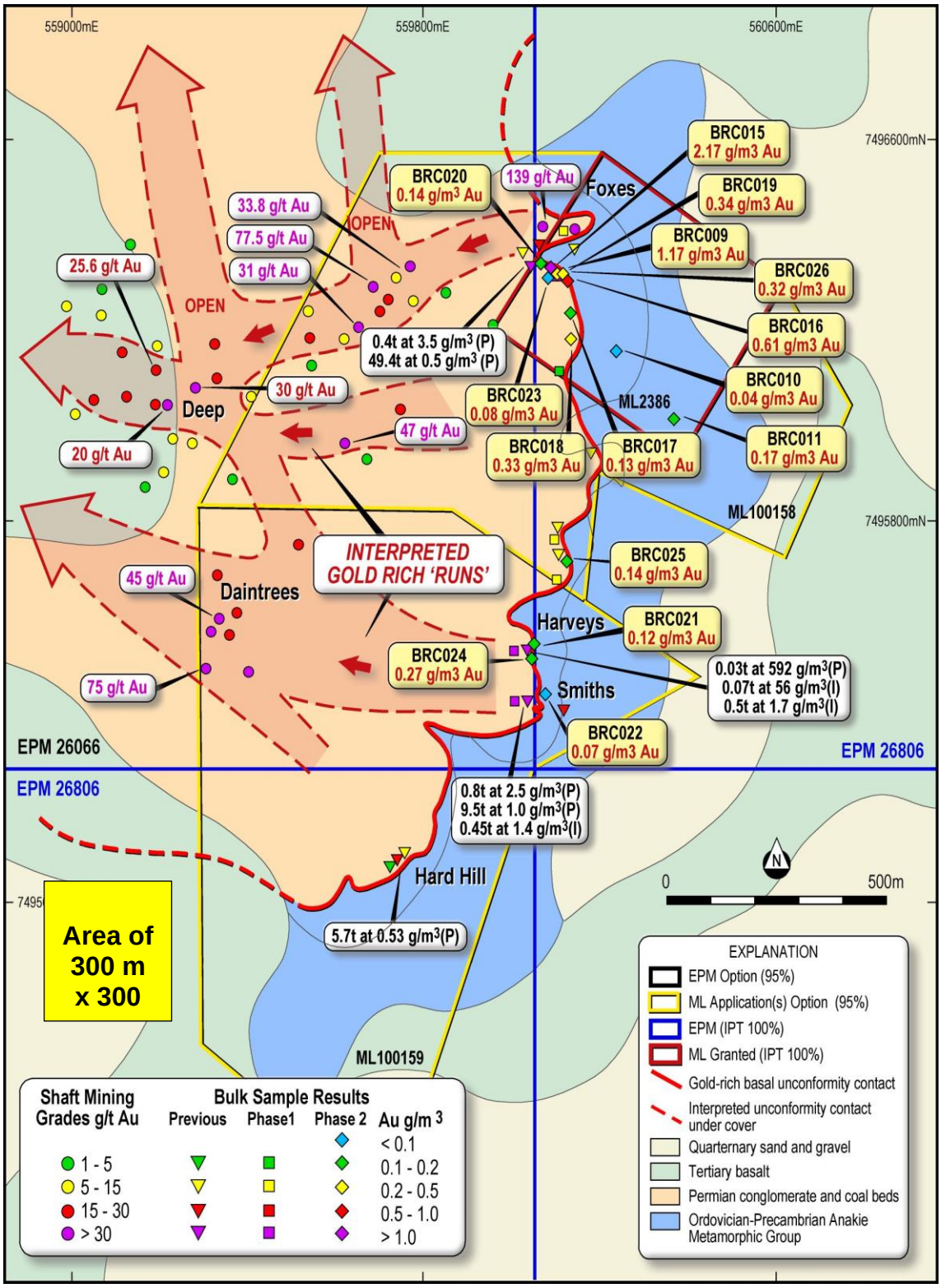


Figure 1. Gold results, previous gold production, geology and mining lease locations for the central Blackridge project area. All results are presented in grams per loose cubic metre. The second phase sample results are highlighted in the yellow call out boxes. An example of an area comprising 1,000,000 million cubic metres (310 m by 310 m by 10 m thick) is also shown for comparison.

NEXT STEPS

In addition to the submission of a Plan of Operations to the DNRME Impact is also compiling the results of previous exploration work and recently completed passive seismic and ground EM geophysical surveys designed to map the target unconformity in detail. These results have been received and are being processed before final interpretation.

Wide diameter (0.9 metres) Caldwell drilling with wet gravity processing of the drill chips was completed in a few places on ML2386 and surrounding area early in the 1980's. This data is currently being reviewed but does indicate the basal 8 to 10 metres of the sedimentary sequence may contain recoverable gold in places.

This means that much of the overburden above the main unconformity target zone may have the potential to be ore rather than barren waste. This would particularly be the case if the profile contains coarser gold nuggets in places and, if so, then there would be clear potential at Blackridge for a larger mining operation.

Further investigation of the gold content of the entire sedimentary package, which has generally been ignored by previous explorers, is required along the entire 1,500 metres of mineralised trend and this includes further bulk sampling.

ABOUT THE BLACKRIDGE PROJECT

The Blackridge project is an advanced conglomerate-hosted gold project that covers the historic Blackridge and Springs mining centres located about 25 km north of Clermont in central Queensland (Figures 2 and 3). The gold fields produced about 185,000 ounces of gold from 1879 to the early 1900's from surface down to depths of about 70 metres in small shafts and related underground workings.

Further discoveries were made in the Clermont region in the 1930's and total production from conglomerates in the region is estimated by the Geological Survey of Queensland to be more than 300,000 ounces of gold (IPT ASX Release May 29th 2018).

Impact's project covers 91 square kilometres and comprises:

- one 100% owned Exploration Permit (EPM26806, Figure 3);
- one 100% owned fully granted Mining Lease (ML2386) which lies in the centre of the project area and was purchased for $30,000 and replacement of environmental bonds of approximately $7,000 (Figure 1 and IPT ASX Release August 31st 2018); and
- one Exploration Permit (E26066) and four Mining Lease applications (ML 100158, 159, 160 and 161) owned by Rock Solid Holdings Pty Limited for which Impact has an option to buy a 95% shareholding in by the payment of $200,000 by November 18th 2019 (subject to Board approval) (Figures 1 and 3; IPT ASX Release May 29th 2018).

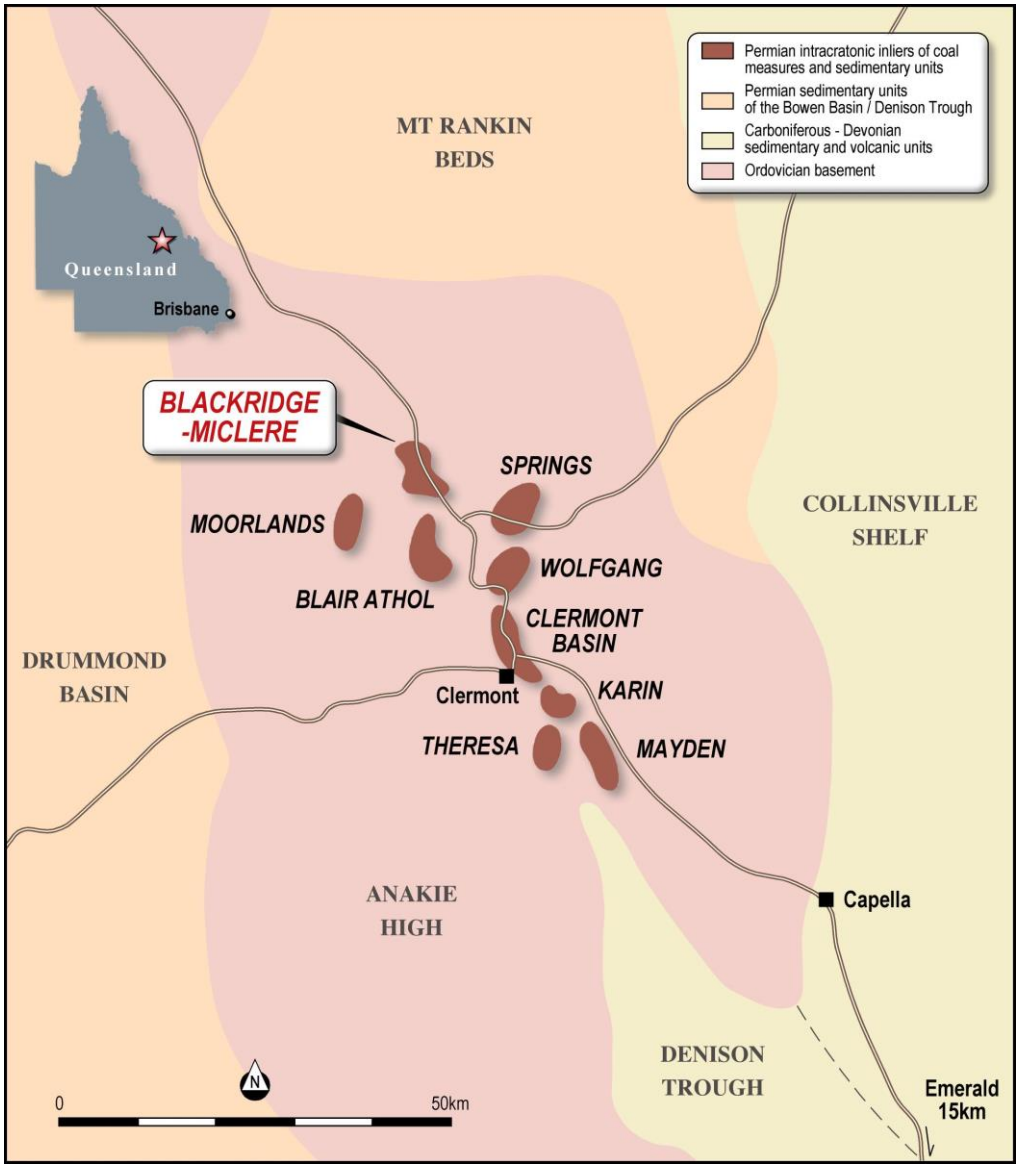


Figure 2. Location and regional geology of the Blackridge Project.

The gold produced at Blackridge was mostly hosted in basal conglomerates of Permian-aged sedimentary basins which include the mined coal measures that unconformably overlie the Anakie metamorphic rocks of Middle Ordovician age and older (Figures 2 and 3).

The unconformity is present at surface over about 1,500 metres of trend at Blackridge (Figure 1). Much of the area is covered by loose gravel with only a few outcrops of conglomerate and schist in places. This cover, within which small gold nuggets have been found by prospectors over many years, has hindered previous exploration and there has been no recent systematic exploration in the area.

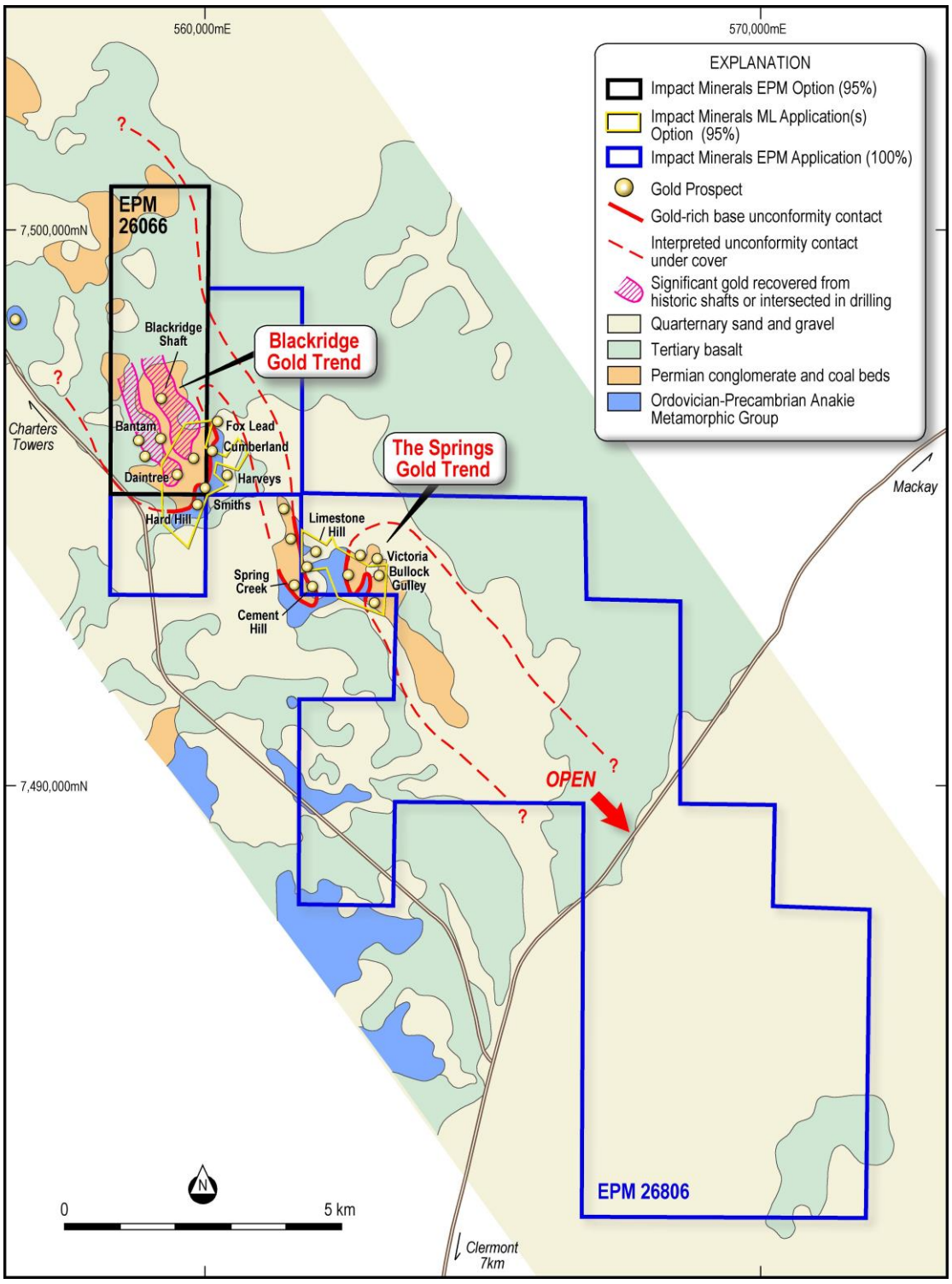
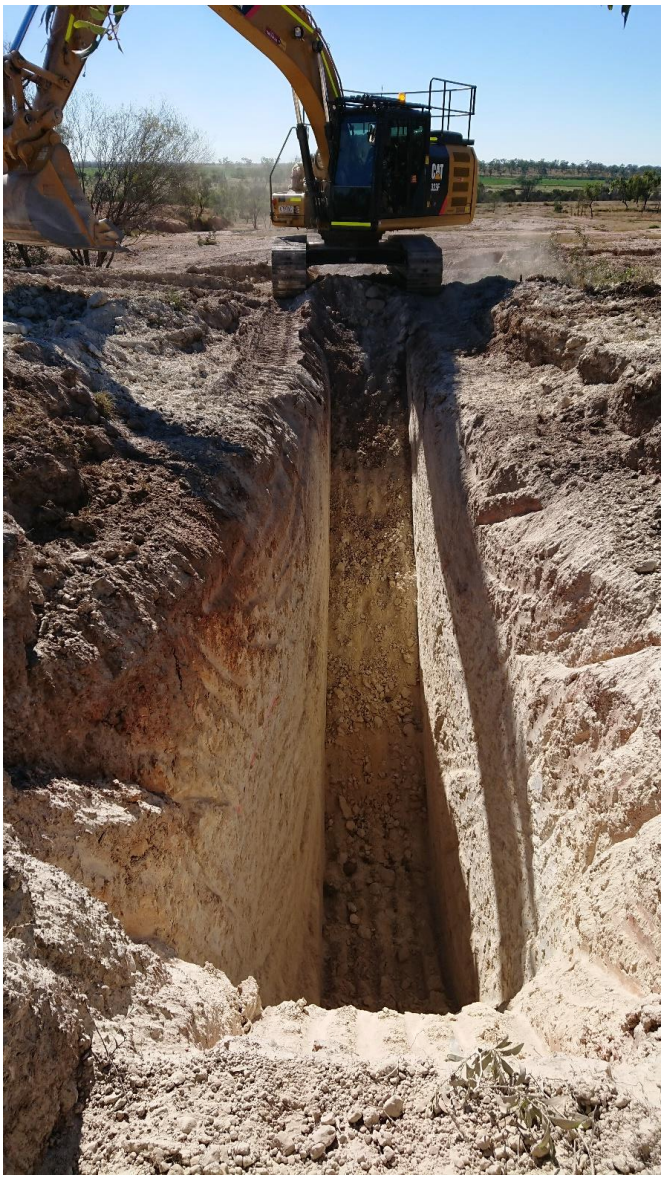


Figure 3. Tenure and Geology of the Blackridge project.



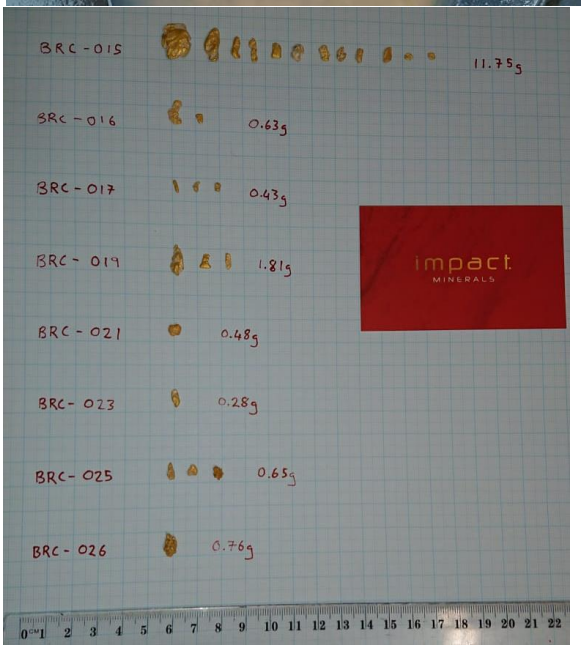


Figure 4. Example of free-digging material in a trench and examples of the panned concentrates from Foxes Lead on ML2386 and picture of nuggets from all trenches. All gold is the property of Impact Minerals Limited (IPT ASX September 18th 2019).

Impact Minerals has completed two phases of bulk sampling of the conglomerate material with very encouraging results from a wet gravity processing plant (Figure 4; ASX Release September 18th 2019).

Gold was recovered from samples taken over 1,000 metres of trend with grades ranging from 0.07 g/m^3 to 2.17 g/m^3 at an average of 0.36 g/m^3. Of note, all material sampled was free digging down to at least 4 to 5 metres below surface with gold present, in at least a few locations, throughout the profile (Figure 4). Large volumes of such material are demonstrably present at Blackridge over the 1,500 metres of trend (Figure 1).

In addition the gold showed exceptional liberation characteristics with estimated gold recoveries in the range of at least 95-98%. This is confirmed by direct recovery of gold of less than 10 parts per billion in some samples (Figure 4; IPT ASX Release September 18th 2019).

One of the bulk samples, taken in Trench BRC015, lies close to the start of "Foxes Lead", one of the high-grade "runs" mined late in the 1800's and early 1900's. Previous production data from this era indicates that the gold content is likely to significantly increase as the high-grade runs are approached with reported grades commonly of more than one ounce per tonne (Figure 1 and IPT ASX Release October 23rd 2018). These leads are quite robust and extend continuously down dip for at least 1,500 metres in places (Figure 1).

Numerous leads may be present along the unconformity within the area of the mining leases (Figure 1). The bulk sampling indicates the Smiths and Harveys prospects may lie at the start of a lead that was missed by previous miners (IPT ASX Release October 23rd 2018).

These results suggest to Impact that the basal unconformity could be weakly to moderately mineralised over the entire 1,000 metres of trend sampled and that it is potentially mineralised for a further 500 metres to the south, past the Hard Hill prospect (Figure 1).

In addition Impact considers it possible that further closer spaced sampling could return more nuggets along the entire unconformity and in particular close to the high grade leads, thus potentially increasing the average grade.

COMPLIANCE STATEMENT

This report contains no new Exploration Results.

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.