



ASX Release

24 February 2020

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**Directors / Officers:**

Rob Scott  
Simon Paull  
Gerrard Hall  
Matt Bull

**Issued Capital:**

793.9 million shares  
184 million options

**ASX Symbol:**  
CCZ

## MOU to develop sizeable Broken Hill project that's highly prospective for base metals

- Broken Hill Alliance (BHA) is a newly formed equal coalition comprising CCZ, Impact Minerals (ASX: IPT) & private group Squadron Resources<sup>^</sup> (SR)
- BHA is set to own the largest tenement footprint surrounding the world-class Broken Hill zinc-lead-silver deposit in NSW
- CCZ will contribute its highly prospective tenure to BHA, which complements quality tenements from the two other groups (refer to Appendices A & B for details)
- BHA's project area is highly prospective for base metals, with several priority targets for follow up but has otherwise been under-explored over the past two decades
- BHA's stakeholders have signed a non-binding Memorandum of Understanding (MOU) formalising their intent to progress this exciting project and commence discussions with potential strategic partners to expedite development
- Clear demonstrable exploration upside as historic drilling on BHA's ground has hit significant mineralisation at Dora East, a priority target:
  - ❖ 5.1m @ 10% Zn, 0.8% Pb & 40.4 g/t Ag from 148.4m including 1m @ 26.8% Zn, 2.8% Pb & 133 g/t Ag from 148.9m; and 1m @ 21.4% Zn, 0.8% Pb & 31.5 g/t Ag from 152.5m (drill-hole RHDO018)<sup>1</sup>
- A deeper drill-down into the underlying geology within the proposed BHA tenure, highlights a significant pipeline of exploratory work ahead
- This agreement delivers the potential for two material value add benefits: 1) efficiently optimises a quality asset for stakeholders; and 2) leverage to concurrently progress the three core copper pillar strategy and dual London listing

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**Castillo Copper's Managing Director Simon Paull commented:** "Forming BHA is a clear win-win for all stakeholders. For CCZ, it will enable our Broken Hill asset to be optimised and value created for shareholders on a free carried interest basis. The Board believes the BHA project, which surrounds the world's largest high-grade massive zinc-lead-silver sulphide deposit, delivers material upside potential due to its sizeable footprint and high prospectivity for base metals."

**CCZ's London based Director Ged Hall remarked:** "This is an exceptional deal that facilitates a quality asset being developed. More importantly, as we move forward with the London listing plans, it's pleasing that our Broken Hill asset is being optimised."

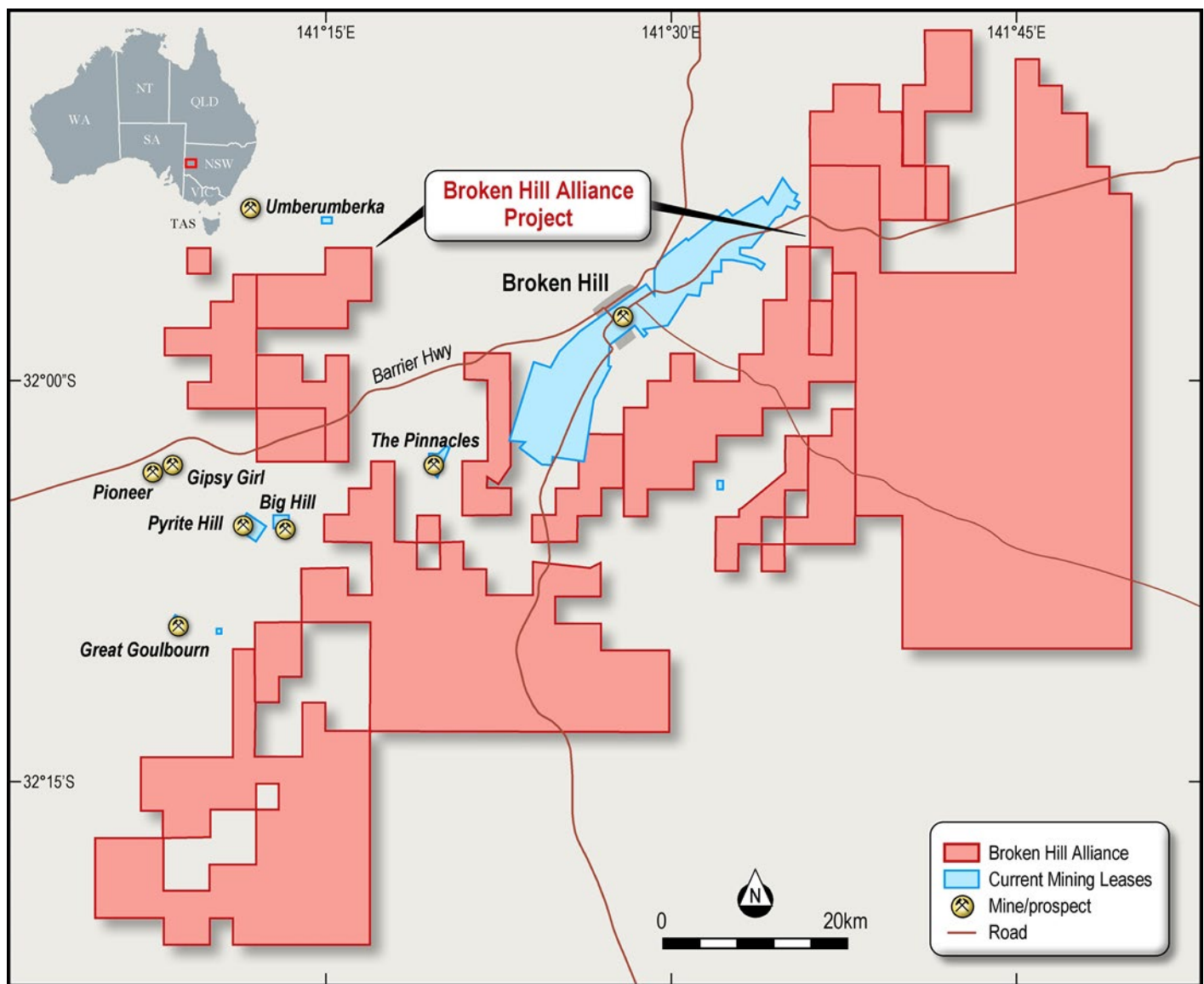
<sup>^</sup>Note: Squadron Resources Pty Ltd (ACN 604 832 751) is a private company that invests in mineral resources opportunities and is a substantial shareholder of Impact Minerals (refer to IPT's 2019 Annual Report – ASX Release 4 October 2019 and visit SR's website for further information – [www.squadronresources.com.au](http://www.squadronresources.com.au))

Castillo Copper Limited (“CCZ” or “the Company”) is delighted to announce that it is part of a high-calibre coalition, comprising IPT and SR, with the strategic intent to establish Broken Hill Alliance (BHA).

### BROKEN HILL ALLIANCE

Currently, BHA is an equal coalition between the three stakeholders that collectively owns the largest tenement footprint surrounding the world-class Broken Hill zinc-lead-silver deposit in New South Wales (Figure 1 & refer Appendix A & B). The geology across the enlarged tenure is highly prospective for base metals, with several known priority exploration targets. However, holistically there is an opportunity to create significant value developing the project which has been largely under-explored over the past two decades.

FIGURE 1: BHA’S FOOTPRINT IN THE BROKEN HILL REGION



Source: BHA geology team (Note: refer Appendix A & B)

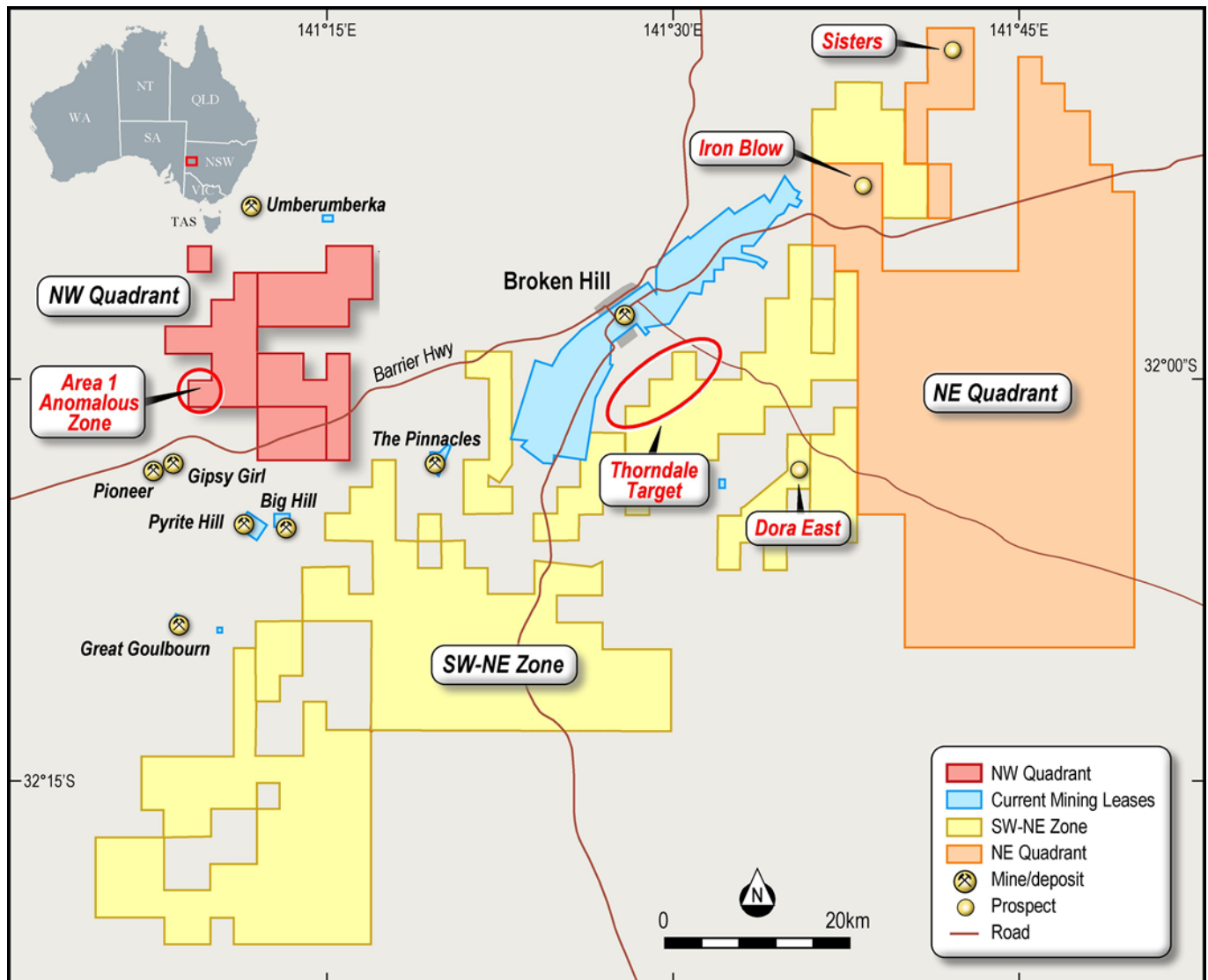
## STRUCTURED FRAMEWORK

To formalise their strategic intent to develop the BHA tenure package, the three stakeholders have signed a non-binding MOU which provides a structured framework to move forward to a definitive agreement (refer Appendix A for key high-level terms).

The high-level salient points for the MOU comprise:

- Establishing a special purpose vehicle, BHA, which will acquire nine tenements from the coalition members – detailed in Appendix B – in return for equal shareholdings (33.33%):
  - The contributed tenures have been named SW-NE Zone, NW Quadrant and NE Quadrant – Figure 2.

**FIGURE 2: BHA'S TENURE SUB-COMPONENTS**



Note: Tenure contributions as follows: SW-NE Zone (Impact Minerals; IPT); NW Quadrant (CCZ); and NE Quadrant (Squadron Resources; SR) – refer to Appendix A & B

Source: BHA geology team

- Under CCZ's lead, market BHA to prospective strategic partners to expedite exploration and development.
- Note, Impact Minerals (IPT) will retain the rights to nickel-copper-PGM mineralisation and associated metals.

## EXPLORATION UPSIDE

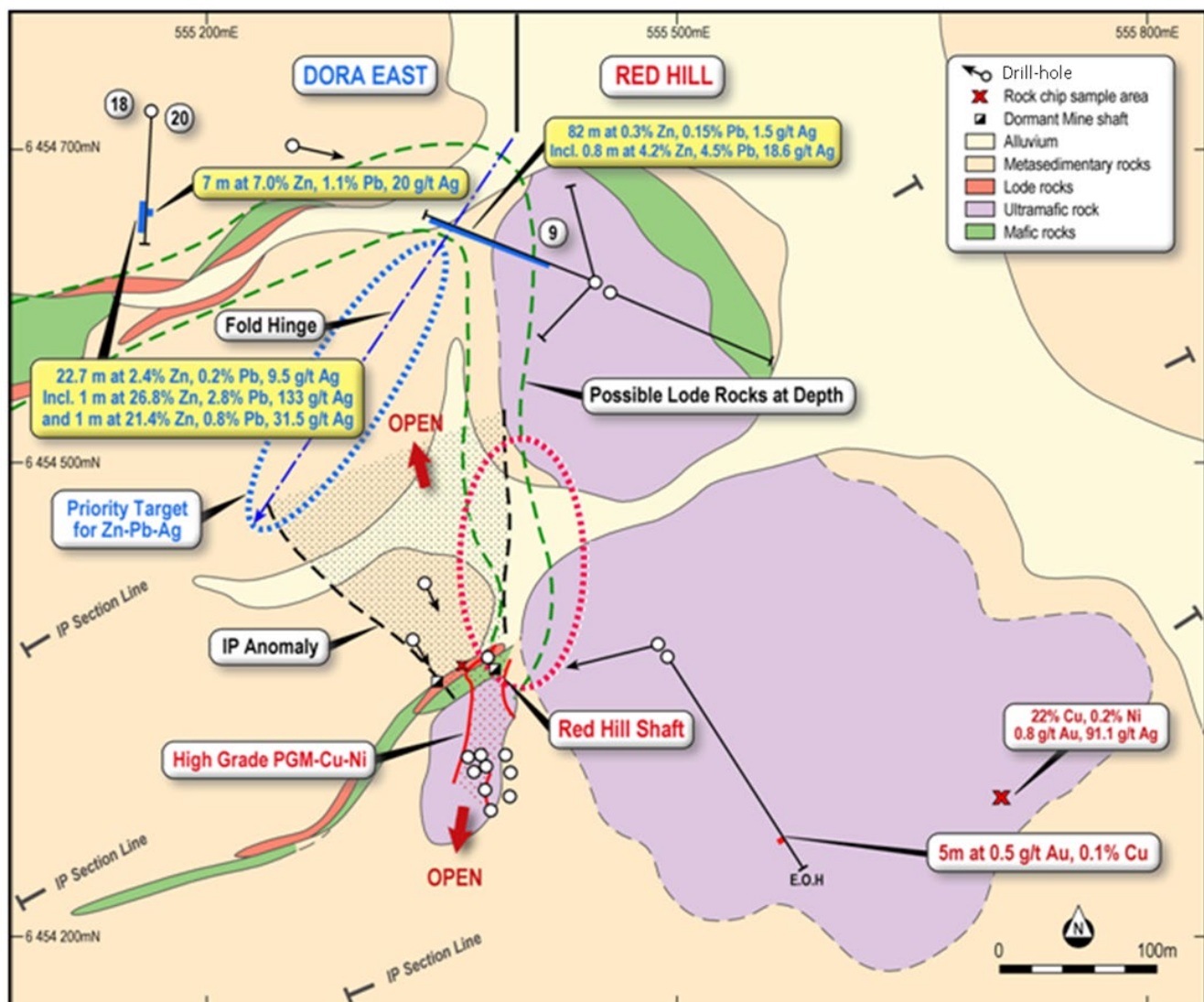
### SW-NE Zone

Demonstrating the exploration upside the BHA ground potentially delivers is historic drilling which has intercepted significant economic mineralisation at the priority Dora East prospect within the SW-NE Zone (Figure 3), including:

- ❖ **5.1m @ 10% Zn, 0.8% Pb & 40.4 g/t Ag from 148.4m including 1m @ 26.8% Zn, 2.8% Pb & 133 g/t Ag from 148.9m; and 1m @ 21.4% Zn, 0.8% Pb & 31.5 g/t Ag from 152.5m (drill-hole RHD0018)<sup>1</sup>**

The area around Dora East prospect has significant zinc-lead Broken Hill Style lode mineralisation, evidenced by the drill-hole RHD0018 intersection. Notably, the assay result from drill-hole RHD0018 is one of the most significant results produced outside the traditional Broken Hill lodes for many years.

**FIGURE 3: DORA EAST PROSPECT**



Source: IPT geology team (refer to IPT ASX Releases –, 1 April 2015, 10 December 2015, 18 February 2016 & 31 October 2018 and Appendix C & D – Table 1)

In addition, the Thorndale target (Figure 2) is a significant zinc-lead-silver ± copper in-soil anomaly that extends for over 4km, that covers a fold-repeat of the Broken Hill line of lode. In turn, this delivers significant upside potential and is a high priority target for further exploration.

Overall, the SW-NE Zone has tens of kilometres of strike yet to be tested, which delivers on its own merit a significant pipeline of exploratory work ahead.

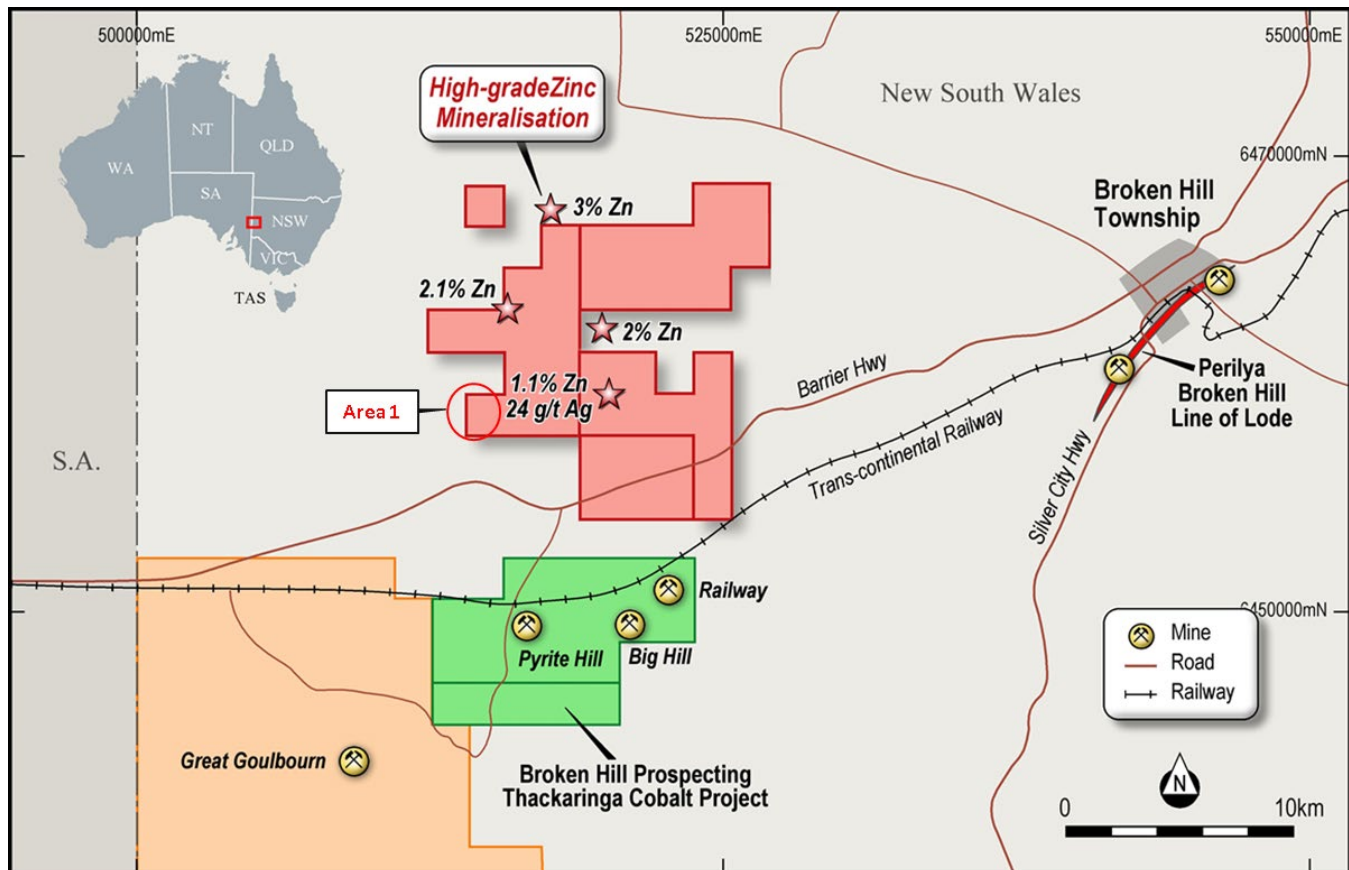


## NW Quadrant

The NW Quadrant is prospective for polymetallic mineralisation, as recent & historic surface assays<sup>2</sup> returned up to **2.1% Zn & 2.4% Cu<sup>2</sup>**. More encouragingly, within the region legacy near-surface assays recorded up to **17.7% Zn, 12% Cu & 8.2% Pb<sup>3</sup>**.

Further, several highly prospective historic test drill targets with up to **2.1% Zn & 24g/t Ag** have been recorded (Figure 4) across the tenure. Moreover, there are circa 1,400 drill-holes encoded which delivers a solid understanding of the zinc mineralisation potential within the NW Quadrant<sup>3,4</sup>.

**FIGURE 4: NW QUADRANT – HIGH GRADE ZINC TARGETS**



Source: CCZ geology team

More recently, a CCZ field team visited the Area 1 prospect (Figure 4) and took 106 rock-chip samples from out-cropping Himalaya Formation which returned excellent assay results, with up to **2.4% Cu<sup>5</sup>** over several hundred square metres. Importantly, these results verified the exploration potential for polymetallic mineralisation within Area 1.

## NE Quadrant

Historic work on the NE Quadrant has been limited. However, there are three priority targets (Figure 1) that warrant further follow up for Broken Hill Style lead-silver-zinc and ironstone-hosted copper-cobalt, comprising:

- **Iron Blow:** A relatively recent airborne geophysics program indicates previous drilling missed massive sulphide layers;
- **VTEM 14:** Stronger zinc in soil anomaly, complemented by several historic base metal workings, provides support for massive sulphide orebodies; and
- **Sisters:** In the mid-1990s, geochemical assays on gossan samples returned up positive results for copper-gold mineralisation.

## Next steps

Commence discussions with prospective strategic partners, on BHA's behalf, to finalise an agreement then establish timelines for exploration and development work to commence.

For and on behalf of Castillo Copper

**Simon Paull**

**Managing Director**

## References

- 1) IPT ASX Release – 1 April 2015, 10 December 2015, 18 February 2016 & 31 October 2018
- 2) CCZ ASX Release – 11 July 2017
- 3) CCZ ASX Release – 20 September 2017
- 4) CCZ ASX Releases - 30 August 2017
- 5) CCZ ASX Release – 28 September 2019

## ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer primarily focused on copper then nickel, zinc & cobalt.

The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by three core pillars:

- **Pillar I:** Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines.
- **Pillar II:** The Mt Oxide project in the Mt Isa district, north-west Queensland, which delivers significant exploration upside through having a sizeable untested anomaly within its boundaries in a copper-rich region.
- **Pillar III:** Several high-quality prospective assets in Zambia, which is the second largest copper producer in Africa.

In addition, Castillo Copper is progressing a dual listing on the standard board of the London Stock Exchange.

## Competent Person Statement

The review of exploration activities and results contained in this report that relate to Impact Minerals Limited's contributed tenure to Broken Hill Alliance Group is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director 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.

## **APPENDIX A: MEMORANDUM OF UNDERSTANDING FOR BHA – KEY SALIENT POINTS**

This non-binding and indicative MOU sets out the terms and conditions on which Castillo Copper Limited (CCZ), ASX-listed Impact Minerals Limited (IPT) and private group Squadron Resources Pty Ltd (SR) agree to become shareholders in a new special purpose vehicle (BHA) that will hold and develop nine exploration licences in the Broken Hill region in New South Wales.

### **A] Grant of option**

From the date of execution of the MOU, each party grants the other the option to participate in the incorporation of BHA and the project.

### **B] Marketing**

The parties will use their best endeavours to market the project and identify a strategic investor to enter into a joint venture or earn-in arrangement with BHA to fund exploration and development. Further, the parties agree that CCZo will take the lead in marketing the project, identifying a potential investor(s), coordinating activities and providing administrative control and support to the marketing efforts.

### **C] BHA ownership**

The initial ownership of BHA will be one third each, but this will change once a joint-venture party is found and agrees to fund developing the project (see below).

Further, each party will transfer their tenements in return for shares, equating to 33.33% of BHA's issued capital.

### **D] Conditions precedent**

The parties agree the transaction (forming BHA and acquiring the tenements) will be conditional upon the satisfaction or waiver of the following conditions precedent and set out in the definitive agreement:

- The parties obtain all necessary corporate, governmental and regulatory approvals, consents or waivers to allow lawfully completion;
- The parties entering into a shareholders' agreement in relation to BHA to govern the various rights and responsibilities that will apply to the shares held in BHA (including the right of each party to appoint one director to the board of directors);
- The Parties will use their best efforts to ensure that the conditions are satisfied (or waived) as soon as practicably possible before the End Date.

### **E] End date**

If the conditions are not satisfied (or waived) within 180 days of the execution date, then any party will have the right to terminate this MOU by giving notice in writing to each other. This action will release the parties from their obligations under this MOU, other than any pre-existing liabilities for breach of this MOU, which shall survive termination of this MOU.

<sup>^</sup>Note: Squadron Resources Pty Ltd (ACN 604 832 751) is a private company that invests in mineral resources opportunities and is a substantial shareholder of Impact Minerals (refer to IPT's 2019 Annual Report – ASX Release 4 October 2019 and visit SR's website for further information – [www.squadronresources.com.au](http://www.squadronresources.com.au))

## APPENDIX B: TENEMENT DETAILS

Title	Grant Date	Expiry Date	Title Area	Original Owner
EL8572	23-May-17	23-May-20	19 units	CCZ
EL8599	20-Jun-17	20-Jun-20	20 units	CCZ
EL 7390	20-Aug-09	20-Aug-23	24 units	IPT
EL 8234	10-Feb-14	10-Feb-23	3 units	IPT
EL 8609	27-Jun-17	27-Jun-22	72 units	IPT
EL 8636	31-Aug-17	31-Aug-22	47 units	IPT
EL 8674	17-Nov-17	17-Nov-22	105 units	IPT
EL8434	2/06/2016	1/06/2021	186 Units	SR
EL8435	2/06/2016	1/06/2021	22 Units	SR

Source: BHA geology team



## APPENDIX C: DRILL HOLE SUMMARY & SIGNIFICANT ASSAY RESULTS

**TABLE C1: SIGNIFICANT ASSAY DRILL INTERCEPT RESULTS (RHD001-6)**

Hole ID	From (m)	To (m)	Interval	Cu (%)	Ni (%)	PGE+Au (g/t)	Ag (g/t)	Cut off Cu (%)	Cutoff PGE+Au
RHD001	46.0	78.0	32.0	1.0	0.5	3.9	10.6	0.1	
including	46.0	49.7	3.7	0.4	0.7	2.1	3.0	0.4	
and	53.7	55.0	1.9	2.0	1.2	4.7	15.9	1.0	
including	53.7	63.2	9.5	1.5	0.8	4.7	13.6	0.4	
also including	57.3	62.4	5.1	1.9	0.9	6.2	17.6	1.0	
including	67.0	76.9	9.9	1.4	0.3	6.7	19.2	0.4	
also including	71.6	75.8	4.2	2.6	0.5	10.6	-	1.0	
RHD002	10.0	26.0	16.0	0.2	0.3	1.4	2.2		0.5
including	16.0	21.5	5.5	0.3	0.4	2.7	4.1		1.0
also including	24.3	25.0	0.7	0.1	0.1	2.5	3.5		1.0
RHD006	52.0	77.5	25.5	0.8	0.6	4.3	7.0		0.5
including	54.2	59.4	5.2	1.1	1.6	3.5	7.2		1.0
including	63.2	77.0	13.8	1.1	0.3	6.3	9.9		1.0

Source: IPT ASX Release - 1 April 2015

**TABLE C2: DRILL HOLE SUMMARY (RHD001-6)**

Collar ID	Prospect	Drill type	Easting	Northing	Dip	Azimuth	Depth
RHD001	Red Hill Mine	Diamond	555379	6454298	-55	10	94.5
RHD002	Red Hill Mine	Diamond	555372	6454303	-75	300	243.5
RHD003	Simons Find	Diamond	555431	6454598	-80	225	220
RHD004	Central IP	Diamond	555517	6454391	-60	255	170
RHD005	Northern EM	Diamond	555250	6454700	-60	90	131.2
RHD006	Red Hill Mine	Diamond	555377	6454301	-50	0	131.1

Source: IPT ASX Release - 1 April 2015

**TABLE C3: SIGNIFICANT ASSAY DRILL INTERCEPT RESULTS (RHD007-19)**

Hole ID	From (m)	To (m)	Interval	3PGE					Ni (%)	Ag g/t	Zn (%)	Pb (%)	Cut-off
				(g/t)	Pt (g/t)	Pd (g/t)	Au (g/t)	Cu (%)					
RHD007	364	369	5	0.63	0.02	0.02	0.59	0.09	0.14	0.8			0.1 g/t Au
RHD008	0	29	29	8.61	2.66	5.45	0.5	2.35	0.45	57.77			0.5 g/t 3PGE
including	7	9	2	22.7	1.71	20.55	0.45	2.47	0.46	55.83			10 g/t 3PGE
also including	18.6	24	5.4	16.09	7.55	7.81	0.73	3.79	0.52	58.55			10 g/t 3PGE
also including	27.7	28.3	0.6	29.12	14.44	13.21	1.46	12.17	0.53	28.3			10 g/t 3PGE
RHD009	91	173.5	82.5	NSA	NSA	NSA	NSA	0.01	NSA	1.55	0.33	0.15	0.05% Zn
including	100	104.9	4.9	NSA	NSA	NSA	0.01	0.09	NSA	6.34	0.6	0.15	0.5% Zn
including	104.2	104.9	0.7	NSA	NSA	NSA	0.03	0.34	NSA	19.64	1.69	0.37	1% Zn
also including	132	132.8	0.8	NSA	NSA	NSA	0.01	0.03	NSA	18.6	4.22	4.57	1% Zn
also including	141	143.9	2.9	NSA	NSA	NSA	0.01	0.02	NSA	3.69	2.83	0.36	1% Zn
also including	156	158.1	2.1	NSA	NSA	NSA	NSA	NSA	NSA	2.83	1.21	0.34	1% Zn
also including	166	173	7	NSA	NSA	NSA	NSA	0.02	NSA	1.47	0.45	0.05	0.5% Zn
RHD012	67.3	70.8	3.5	155.04	5.04	143.98	6.02	2.31	2.91	19.4			0.5 g/t 3PGE
including	68.5	69.7	1.2	314.99	10.37	293.77	10.85	1.78	7.36	14.5			10 g/t 3PGE
RHD015	58.1	62	3.9	8.26	4.25	3.76	0.25	1.44	0.28	13.44			1 g/t 3PGE
including	61	61.5	0.5	20.61	14.2	6.16	0.24	5.16	0.66	49.8			10 g/t 3PGE
RHD017	39	55	16	2.94	1.36	1.47	0.11	0.28	0.32	8.71			1 g/t 3PGE
including	41.9	43.6	1.7	7.77	3.61	3.93	0.23	0.62	0.37	19.89			5 g/t 3PGE
RHD018	20.7	21.7	1	NSA	NSA	NSA	1.38	NSA	NSA	3.4	0.04	NSA	1 g/t Au
	27.9	28.9	1	NSA	NSA	NSA	1.46	0.03	NSA	0.8	0.01	0.02	1 g/t Au
	113.65	113.8	0.15	NSA	NSA	NSA	0.05	1.55	NSA	22.8	1.33	0.01	1% Zn
	138.9	161.6	22.7	NSA	NSA	NSA	NSA	NSA	NSA	9.5	2.42	0.22	1% Zn
including	148.4	153.5	5.1	NSA	NSA	NSA	0.02	0.02	NSA	40.43	10.08	0.79	1% Zn
including	148.9	149.9	1	NSA	NSA	NSA	0.01	0.02	NSA	133.6	26.76	2.77	10% Zn
also including	152.5	153.5	1	NSA	NSA	NSA	NSA	0.01	NSA	31.5	21.4	0.82	10% Zn
RHD019	31	43.7	12.7	2.4	0.89	1.36	0.15	0.51	0.3	9.21	0.13	0.1	0.5 g/t 3PGE
including	37.4	43.7	6.3	4.33	1.61	2.45	0.27	0.91	0.46	13.76	0.2	0.09	1 g/t 3PGE
also including	37.4	37.9	0.5	21.68	10.05	11.08	0.55	1.01	0.48	41.52	0.13	0.05	10 g/t 3PGE

Source: IPT ASX Release 10 December 2015

**TABLE C4: DRILL HOLE SUMMARY(RHD007-19)**

Collar ID	Drill type	Easting	Northing	Dip	Azimuth	Depth
RHD007	Diamond	555517	6454391	-70	150	420.9
RHD008	Diamond	555381	6454371	-45	178	50
RHD009	Diamond	555434	6454599	-55	300	195.3
RHD010	Diamond	555443	6454596	-45	110	168.4
RHD011	Diamond	555440	6454604	-50	345	96.5
RHD012	Diamond	555379	6454279	-55	10	120.5
RHD013	Diamond	555394	6454303	-51	10	108.5
RHD014	Diamond	555373	6454292	-50	345	96.5
RHD015	Diamond	555397	6454292	-54	353	102.3
RHD016	Diamond	555397	6454280	-61	342	90.5
RHD017	Diamond	555383	6454263	-46	355	90.6
RHD018	Diamond	555193	6454716	-60	200	207.5
RHD019	Diamond	555392	6454303	-75	270	153.8

Source: IPT ASX Release - 10 December 2015

## APPENDIX D: JORC CODE, 2012 EDITION – TABLE 1 – RED HILL PROSPECT SAMPLING TECHNIQUES

### SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p><b>Rock Chip Samples</b> Random rock samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered.</p> <p><b>Soil Samples</b> Soil samples were taken at 50 m intervals from a hole 15-20 deep and sieved to -2mm to collect about 250 g of material.</p> <p><b>Diamond Drilling</b> Diamond drilling was used to produce drill core either with a diameter of 63.5 mm (HQ) or 47.6 mm (NQ). A handheld XRF instrument was used to analyse the drill core at 50 cm intervals.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	<p><b>Rock Chip Samples</b> Representative rock chip samples at each sample site weigh between 0.8 and 1.2 kg. Soil samples are taken at a consistent depth below surface and sieved.</p> <p><b>Soil Samples and Drill Samples</b> Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance / testing (QA). Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. Examples of QA include (but are not limited to) collection of “field duplicates”, the use of certified standards and blank samples approximately every 50 samples.</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	<p><b>Rock Chip and Diamond Drill Samples</b> Rock samples and split diamond core were sent to Intertek Adelaide where they were crushed, dried and pulverised (total prep) to produce a 25-30 g sub-sample for analysis by four acid digest with an ICP/AES finish for ore grade base metal samples and either lead collection or nickel sulphide fire assay with AAS or MS finish for gold and the PGMs. Weathered samples contained gossanous sulphide material. Soil samples were sent to SGS Perth for analysis by the MMI digest. The XRF data is qualitative only. A comparison between the XRF results and wet chemical assay data will be completed on receipt of final results.</p>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Diamond Drilling comprises NQ (47.6 mm diameter) and HQ (63.5 mm diameter) sized core. Impact diamond core is triple tube and is oriented. Historical diamond core was not oriented.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Diamond core recoveries for all holes are logged and recorded. Recoveries are estimated to be approximately >97% for the Red Hill Prospect. No significant core loss or sample recovery problems are observed in the drill core.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No sample bias has been established.

Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Geological logging of samples followed company and industry common practice. Qualitative logging of samples included (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters.  Magnetic Susceptibility measurements were taken for each 0.5 m diamond core interval.  For diamond core, information on structure type, dip, dip direction, texture, shape and fill material has been recorded in the logs. RQD data has been recorded on selected diamond holes. Handheld XRF analysis was completed at 50 cm intervals on diamond core.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.
	<i>The total length and percentage of the relevant intersections logged</i>	All diamond drill holes were logged in full.
		Detailed diamond core logging, with digital capture was conducted for 100% of the core by Impact's on-site geologist.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	All core samples were sampled by half core. Selected intervals of quarter core will be selected for check assays if required.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No RC drilling results are reported.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to) daily work place inspections of sampling equipment and practices, as well as sub-sample duplicates ("field duplicates").
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Laboratory QC procedures for rock sample and diamond drill core assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<b>Rock and Soil Samples</b> Field duplicates were taken at selected sample sites.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<b>Diamond Core Samples</b> Quarter core duplicate samples are taken randomly every 50 samples. Sample sizes at Red Hill are considered adequate due to mineralisation style.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	An industry standard fire assay technique for samples using lead collection with an Atomic Absorption Spectrometry (AAS) finish was used for gold and aqua regia digest for base metals and silver.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools were used to determine material element concentrations. A handheld XRF was used for qualitative analysis only.

Criteria	JORC Code explanation	Commentary
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<b>Rock Chip Samples</b> For the rock chips, quality control procedures for assays were followed via internal laboratory protocols. Accuracy and precision are within acceptable limits. <b>Diamond Drill Samples</b> Reference standards and blanks are routinely inserted into every batch of samples at a rate of 1 in every 50 samples.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The results have not been verified by independent or alternative companies. This is not required at this stage of exploration.
	<i>The use of twinned holes.</i>	No drilling results are reported.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary assay data for rock chips has been entered into standard Excel templates for plotting in Mapinfo. All historical drill data has been entered digitally by previous explorers and verified internally by Impact.
	<i>Discuss any adjustment to assay data.</i>	There are no adjustments to the assay data.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample locations and drill holes were located by hand held GPS.
	<i>Specification of the grid system used.</i>	The grid system for Broken Hill is MGA_GDA94, Zone 54.
	<i>Quality and adequacy of topographic control.</i>	Standard government topographic maps have been used for topographic validation. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at 15 m, 30 m and then approximately every 30 m down-hole.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	Sample spacing for the soil survey was on a 50 m by 50 m grid. Reconnaissance drill spacing is approximately 200 m.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Estimations of grade and tonnes have not yet been made.
	<i>Whether sample compositing has been applied.</i>	Sample compositing has not been applied.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Not relevant to soil and rock chip results. The orientation of mineralisation in RHD001 yet to be determined.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not relevant to soil and rock chip results or early stage exploration drill results.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by Impact Minerals Ltd. Samples for Broken Hill are delivered by Impact Minerals Ltd by courier who transports them to the laboratory for prep and assay. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	At this stage of exploration a review of the sampling techniques and data by an external party is not warranted.

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Broken Hill Project currently comprises 1 exploration licences covering 100 km <sup>2</sup> . The tenement is held 100% by Golden Cross Resources Ltd. Impact Minerals Limited is earning 80% of the nickel-copper-PGE rights in the licence from Golden Cross. No aboriginal sites or places have been declared or recorded over the licence area. There are no national parks over the license area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing with no known impediments.
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	There has been no significant previous work at this prospect.
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	Nickel-copper-PGE sulphide mineralisation associated with an ultramafic intrusion.
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul>	See Table in text.
<b>Data aggregation methods</b>	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All reported assays have been length weighted. No top cuts have been applied. A cut-off of approximately 0.1% Cu, 0.4% Cu and 1.0% Cu has been applied for reporting of exploration results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade massive sulphide intervals internal to broader zones of disseminated sulphide mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been reported.
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	The orientation of mineralisation in RHD001 is yet to be determined.
<b>Diagrams</b>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in body of text.



Criteria	JORC Code explanation	Commentary
<b>Balanced reporting</b>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results reported are representative
<b>Other substantive exploration data</b>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
<b>Further work</b>	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Follow up work programmes will be subject to interpretation of results which is ongoing.

Source: IPT ASX Release – 18 December 2020