ASX ANNOUNCEMENT

Date: 29 May 2020
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NEW NICKEL-COPPER-PGE-GOLD PROJECT APPLICATION

Located in SW Yilgarn Terrane 130 km east of Perth

Mafic and ultramafic rocks in major mobile belt

Deformed extension of terranes to the NE of Perth including Julimar-Yarawindah-Moora areas

Significant gravity anomalies and "eye structures" in magnetic data

Nickel-copper-gold anomalies in regional geochemistry datasets

No previous exploration

Impact Minerals Limited (ASX:IPT) is pleased to announce that it has made applications for five tenements that will comprise 100% ownership of a major new project, Arkun, prospective for nickel-copper-platinum group metals and gold in the emerging new province for these metals in the south west Yilgarn Craton in Western Australia once granted (Figure 1).

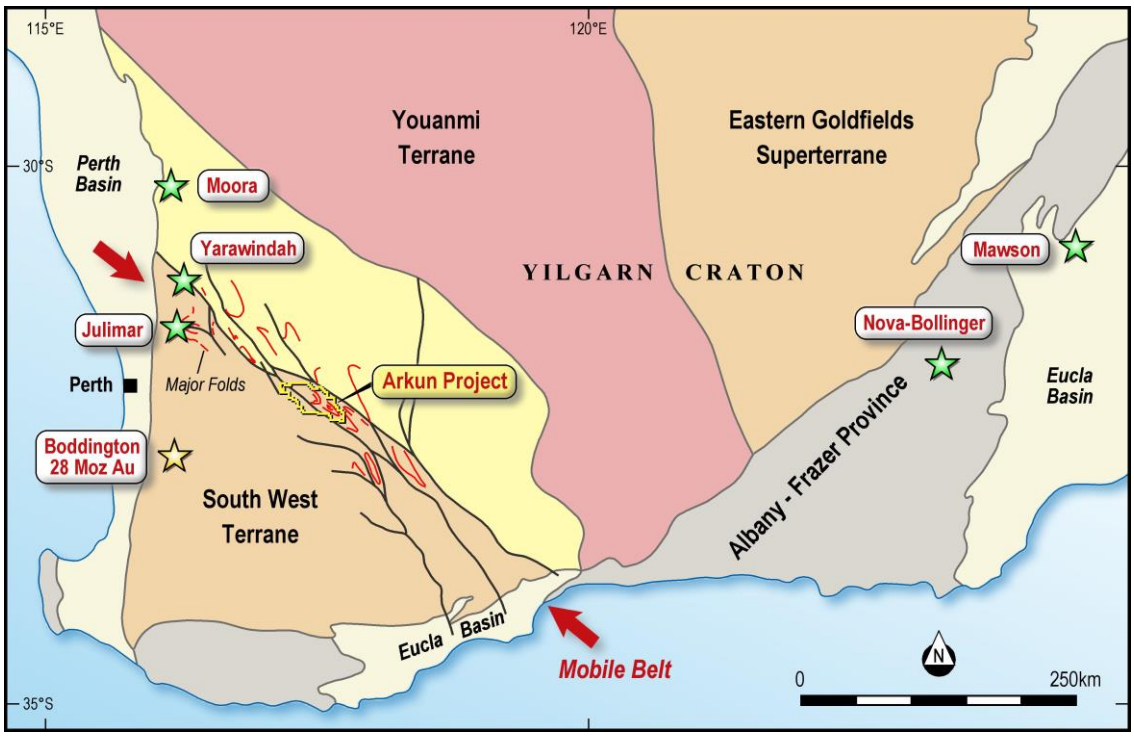

Figure 1. Location and Regional Geology of the Arkun Project and showing key nickel-copper-PGE deposits and recent discoveries.

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The project, which covers about 850 square kilometres centred between York and Corrigin 100 km east of Perth, was first identified as an area of anomalous nickel-copper-gold anomalies in publicly available regional geochemistry data sets.

A subsequent interpretation of regional magnetic data by Impact has identified the area as lying within a major deformation zone or **mobile belt** that trends NW-SE from the Moora-Julimar-Yarawindah area through Arkun and which may contain deformed and metamorphosed equivalents of those rocks (Figures 1 and 2). This belt is generally not recognised in many regional geology maps and yet is self-evident in the magnetic data. This is a significant breakthrough in understanding for Impact.

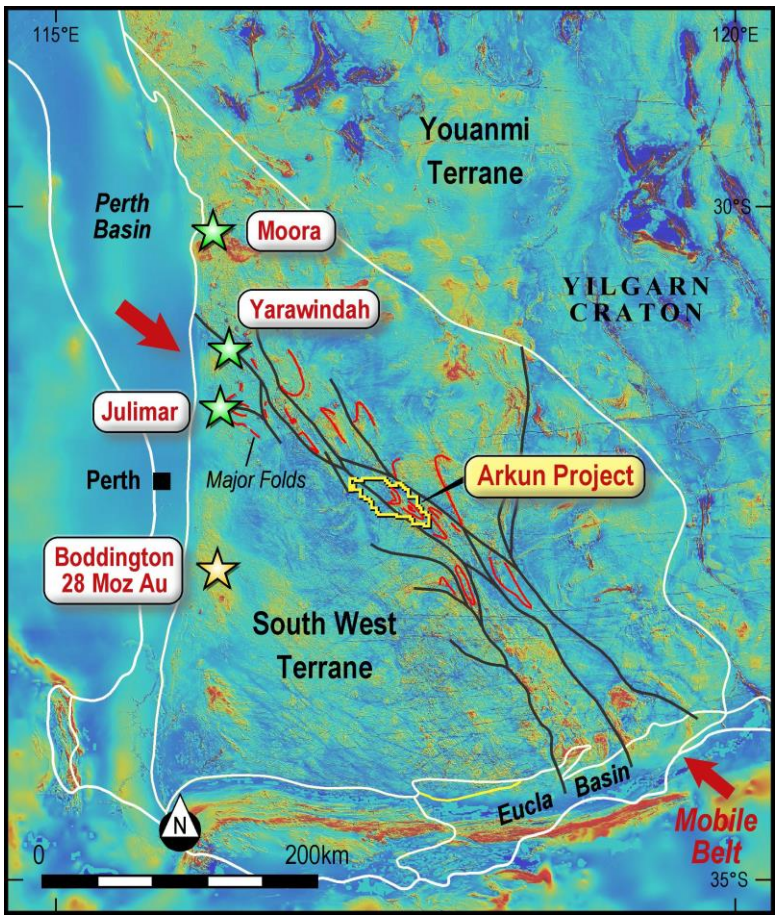

Figure 2. Regional magnetic image showing major structures in the South West Terrane of the Yilgarn Craton. Note the location of the Julimar-Yarawindah-Moora area at the north western end of the interpreted mobile belt.

The mobile belt is about 500 km long and up to 30 km wide, and is of a scale that suggests it may mark an ancient terrane boundary or proto-craton margin. Such geological provinces (of varying ages) are well known around the world as prospective terranes for hosting major nickel-copper-PGE deposits with examples such as Nova-Bollinger and Mawson (Proterozoic age – Figure 1), the Thomson fold belt in Canada and the recent discoveries at Yarawindah and Julimar in Western Australia (Figures 1 and 2).

In addition, the project is centred on a significant WNW-trending gravity high evident in regional gravity data (Figure 3). This is also a very encouraging signature indicating that reasonable amounts of denser crust occur at depth in the project area and are interpreted as mafic and ultramafic rocks. Such gravity highs are also common to many nickel provinces globally.

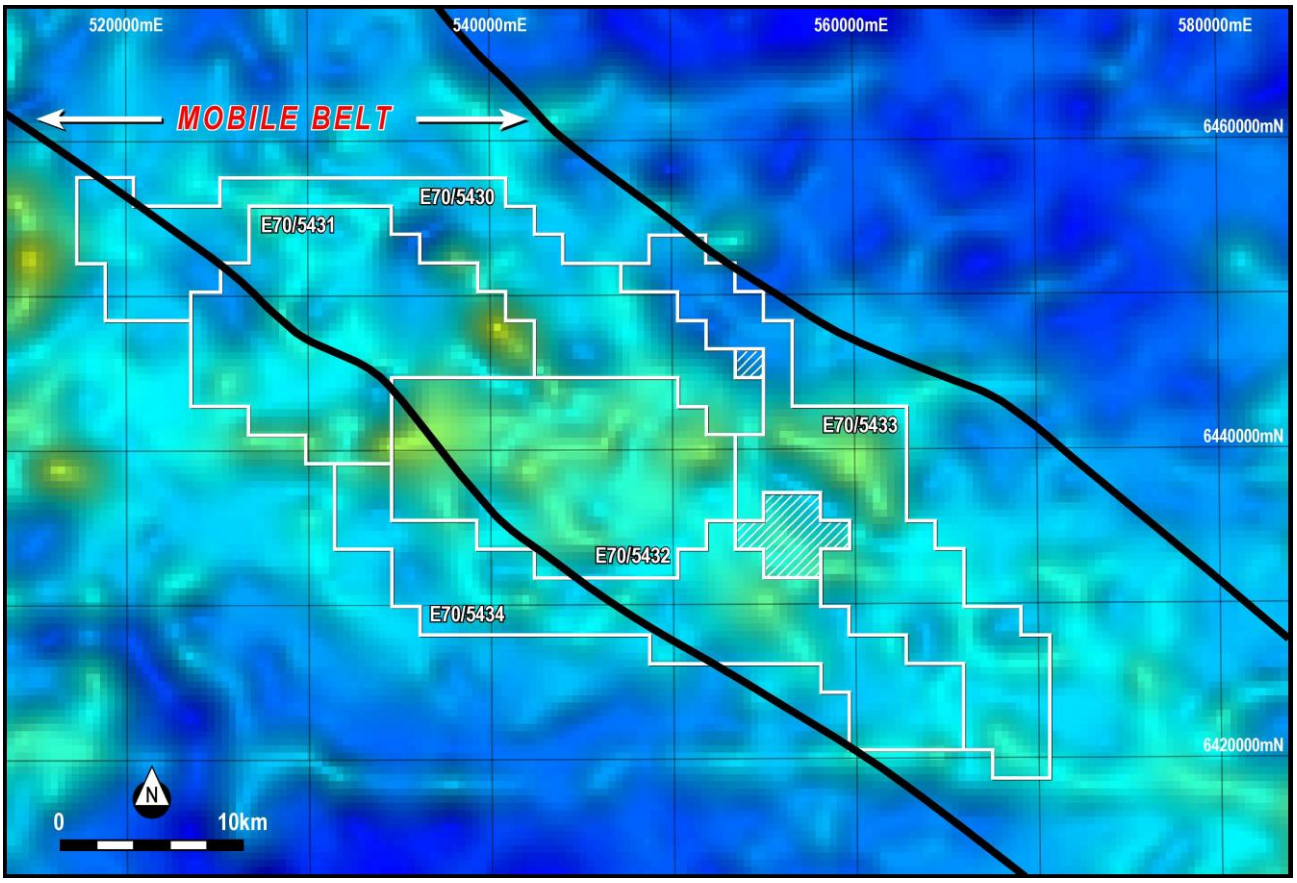

Figure 3. Broad gravity high in regional gravity data image (warmer colours indicate more dense rocks). The WNW trending zone marks a major gravity feature within the South West Terrane. Hatched areas are excised from Impact's tenement holdings.

The regional magnetic data shows numerous "eye structures" similar to those at Nova-Bollinger and used a targeting criterion for similar deposits throughout the Albany-Fraser Province (Figures 1 and 4). These structures have the geometry of refolded folds and are typical of the deformation style of the mobile belt (Figure 2).

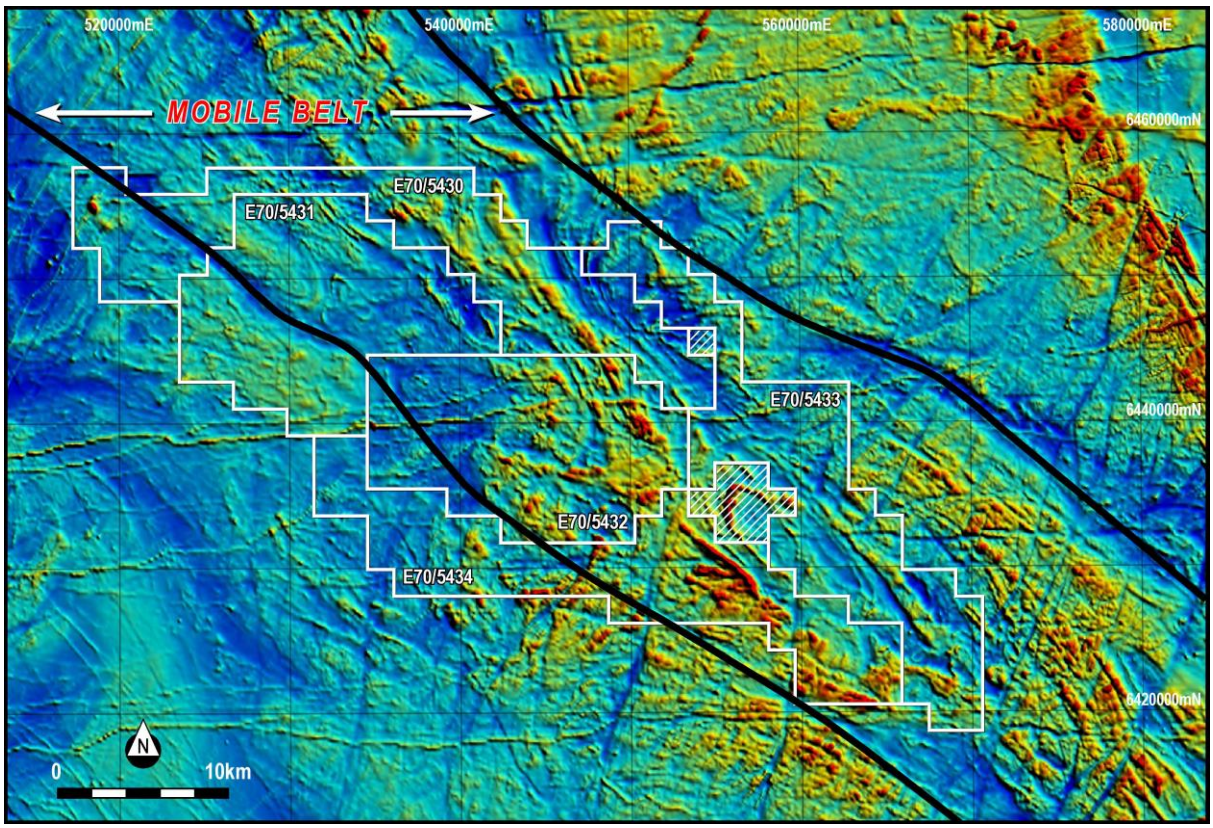

Figure 4. Image of the regional magnetic data (warmer colours representing more magnetic rocks). Numerous elongate "eye-structures" are clearly visible.

Regional Geochemical Anomalies

The Arkun project also covers several soil and rock chip geochemical anomalies for nickel, copper and gold in regional datasets with widely spaced samples (Figure 5, see JORC table for details on the sampling and analytical techniques).

Nickel anomalies are present in the publicly available state-wide regolith geochemistry dataset available from the CSIRO (https://publications.csiro.au/publications/#publication/PIprocite:3fe12d41-ac73-4a8a-8420-47816f0fa509) with samples taken a nominal 9 kilometres apart (Figure 5).

The copper and gold anomalies were identified in a soil geochemistry dataset that is proprietary to Impact's consultants Milford Resources Pty Ltd with samples taken at about 500 metres apart along roads and tracks.

Nickel values range up to 96 ppm, copper values up to 174 ppm and gold up to 11.5 ppb (Figure 5).

Although these absolute values are modest, the entire area is dominated by sandy soils developed on various substrates. It is well known that such sandy soils may significantly dilute soil geochemistry responses and background values are estimated to less than 10 ppm for nickel and copper and no more than 1 ppb for gold.

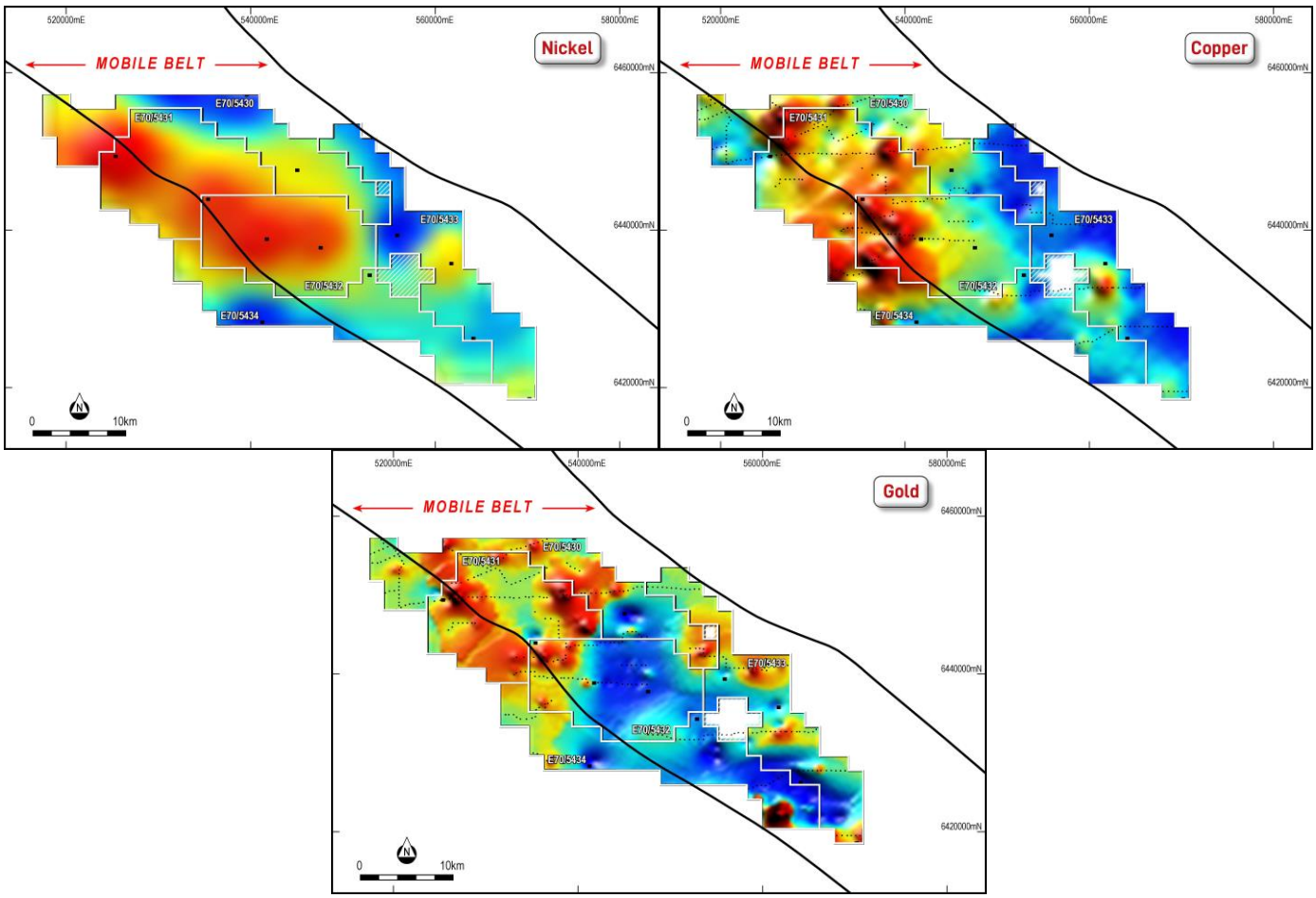

Figure 5. Images of the regional soil geochemistry data showing sample locations, and nickel, copper and gold results. Nickel values range up to 96 ppm (CSIRO data only), copper values up to 174 ppm and gold up to 11.5 ppb (proprietary data, no nickel assays). Warmer colours represent higher assay values.

Accordingly, the anomalous samples are about 10 to 20 times background. Impact considers these responses to be significant given the vast distances between samples.

Next Steps

The five tenement applications (E70/5430-34) are now pending grant, a process expected to take about 5 months. However, Impact intends to undertake reconnaissance work along gazetted roads and tracks to help accelerate exploration prior to grant.

In addition, an interpretation of the surface geology will be completed to assess the effectiveness of the previous soil geochemistry surveys to determine the best surface geochemistry technique for the area. A detailed interpretation of the bedrock geology from the magnetic data will be completed to help identify other priority areas for follow up.

Impact Minerals Managing Director, Dr Mike Jones:

"Arkun is a highly prospective addition to our exploration portfolio and we acted very quickly when alerted to the opportunity. We now have an exploration project that has excellent underlying fundamentals for the discovery of a major nickel-copper-PGE deposit as well as for the discovery of gold.

The area has never been properly explored despite the fact there are regional surface geochemistry anomalies and the area appears to lie on a major regional structure that for the most part has been ignored in the geological studies in the state.

The recent discoveries of similar mineralisation in magmatic massive sulphides by both Chalice Gold Mines Limited at Julimar near Perth and Legend Mining Limited near Nova-Bollinger in the Fraser Range show that there is considerable interest in this style of mineralisation and we look forward to progressing the project over the next six months.

Arkun complements our exciting Broken Hill nickel-copper-PGE project, recognised for its outstanding grades of these metals and where we are preparing for a major drill programme."

COMPLIANCE STATEMENT

This report does not contain any new Exploration Results generated by Impact Minerals.

The area was brought to Impact's attention by Milford Resources Pty Ltd. Milford will be paid $30,000 cash and will be issued 4,425,345 shares. A further payment of up to $20,000 cash and up to $40,000 in shares will be made upon grant of the tenements, pro-rata on the number of tenements granted. The number of shares to be issued upon grant will be based on the 10 day VWAP of Impact's shares prior to the date of grant.

Dr Mike 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). 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 1 - SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	**Soil Samples** **CSIRO Laterite samples:** Details on the sampling programme can be found at https://publications.csiro.au/publications/#publication/PIprocite:3fe12d41-ac73-4a8a-8420-47816f0fa509 Samples were taken at nominal 9 km spacings as part of a state-wide regional geochemistry survey focussed on iron-rich ferricrete. Samples of about 1 kg in weight were taken and sieved to remove coarse fragments and vegetation. **Proprietary soil geochemistry samples.** Samples were taken in the mid 1990's at nominal 500 metre spacings along gazetted roads and tracks. Preference was given to collecting nodular calcrete or carbonate soils or in the absence of calcrete; laterite or lag. –2.4mm soil samples were collected if neither of the other two sample types were available. Impact has reviewed the source of this data and satisfied that the data is bona fide, and was collected and analysed in an appropriate manner.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	**Soil Samples** Samples are considered representative in particular given the wide sample spacing. The material sampled is either iron rich or carbonate rich, which are known geochemical collectors in the regolith. This is appropriate for regional sampling programmes.
	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	N/A
Drilling techniques	*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).*	N/A
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	N/A

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Standard field procedures for soil geochemistry samples were used.
	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.	No sample bias has been established.
Logging	*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.*	N/A
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	N/A
	The total length and percentage of the relevant intersections logged	N/A
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	N/A
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The nature of the soil and laterite samples is appropriate for regional exploration.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory QC procedures for soil samples involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. In addition, field duplicates were taken at a rate of between 1 in 50 to 1 in 100 samples.
	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.	Field duplicates were taken at selected sample sites.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are appropriate
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**CSIRO Samples** Samples were submitted to Ultratrace Laboratories. A suite of 53 elements, including Au, was analysed variously by X-ray fluorescence (XRF), inductively coupled plasma optical emission spectrometry (ICP-OES), and inductively coupled plasma mass spectrometry (ICP- MS). Gold was also assayed for via an aqua regia digest. **Proprietary Dataset** Samples were assayed by aqua regia for gold and copper. No nickel assays were done.

Criteria	JORC Code explanation	Commentary
	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.	N/A
	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.	Field duplicate samples were taken at a rate of between 1 in 50 and 1 in 100
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The results have not been verified by independent or alternative companies. This is not material at this stage of exploration.
	The use of twinned holes.	N/A
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary assay data has been entered into standard Excel templates for plotting in Mapinfo. All historical data has been entered digitally by previous explorers and verified internally by Impact.
	Discuss any adjustment to assay data.	There are no adjustments to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Sample locations were located by hand held GPS.
	Specification of the grid system used.	The grid system for ARKUN is MGA_GDA94, Zone 50.
	Quality and adequacy of topographic control.	N/A
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Sample spacing for the soil survey was at 500 metre to 9 km spacings.
	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.	N/A
	Whether sample compositing has been applied.	N/A
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Not relevant to soil results.
	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.	Not relevant to soil results.
Sample security	*The measures taken to ensure sample security.*	Chain of custody was managed by previous explorers. There is no reason to doubt the veracity of the samples.

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	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
Mineral tenement and land tenure status	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 Arkun Project currently comprises 5 exploration licence applications covering approximately 850 km^2. The tenements have been applied for by Aurigen Pty Ltd a 100% owned subsidiary of Impact Minerals Limited. Impact is currently reviewing the Heritage and Native Title situation over the tenement area. The tenements are subject to grant.
	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 tenements are under application.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There has been no significant previous work at this potential project.
Geology	Deposit type, geological setting and style of mineralisation.	Nickel-copper-PGE sulphide mineralisation associated with mafic to ultramafic intrusions and gold-copper in deformed and metamorphosed greenstone belts.
Drill hole Information	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: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	N/A
Data aggregation methods	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.	N/A.
	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.	N/A
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 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').	N/A
Diagrams	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.
Balanced reporting	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
Other substantive exploration data	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.
Further work	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.