



ASX ANNOUNCEMENT

Date: 23 May 2012

ASX: IPT

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SALE OF SHARES RAISES \$185,000 AND EXPLORATION UPDATE

Impact Minerals Limited (ASX:IPT) is pleased to provide the following update on its activities.

Sale of Shares in Toro Energy Limited

Impact has recently realised \$185,000 from the sale of about 2.7 million shares in Toro Energy Limited that were received last year as part payment for Impact's share of the Nowthanna uranium deposit.

The Company's cash balance is now \$1.4 million. In addition Impact still owns a further 2.7 million shares in Toro (escrowed until October 2012) as well as 44% of Invictus Gold Limited.

Exploration Update

Since completing the capital raising announced to the ASX on 23 March, Impact has progressed its exploration and business development efforts in Botswana on several fronts, in particular at the Red Hills Prospect (Impact 100%), where a 100 sq km ground gravity survey is nearly complete, and at the Xade Cu-Ni-PGE Project (Impact earning in) where a regional soil geochemistry survey is in progress.

The results of these surveys will be used to help identify drill targets.

The Company has also initiated discussions with several major mining companies regarding opportunities for them to farm into both the Xade Project and parts of the Botswana Uranium Project (Figure 1).

BOTSWANA URANIUM PROJECT (IPT 100%)

Red Hills Prospect

At the Red Hills Prospect the ground gravity survey is progressing well and should be completed by the end of May. It covers an area of about 100 sq km and is centred on the area of the maiden drill programme for which further significant geochemical results were recently reported (See ASX announcement of 30 April 2012).

These new results clearly demonstrate that the alteration minerals and anomalous metal values (for uranium, copper, silver, lead and zinc) are extensive and define the outer part of a halo that is typical of those associated with World Class uranium deposits such as Olympic Dam. This halo has a more intense core greater than 1.5 km in extent that is open along strike and at depth, beneath the limit of drilling at about 180 metres.

The data from the gravity survey will be used to identify future drill targets.



Khurutshe Prospects

In the Khurutshe area the results of a broad spaced soil geochemistry survey covering an area of 250 sq kilometres have been received. The survey was targeted at Karoo sediment-hosted uranium deposits analogous to the Letlhakane Project of A-Cap Resources Limited in Botswana and to the Kayelekera Deposit being mined in Malawi and owned by Paladin Energy Limited. Kayelekera has a Reserve of 12.6 Mt at 0.1% for 29 Mlb U₃O₈ (400 ppm cut off), within a strike length less than 1,500 metres. Such high grade deposits are very attractive targets.

The soil survey at Khurutshe has defined several anomalous trends with the associated geological characteristics typical of such deposits for a total strike length of about 20 kilometres.

More details will be released when the interpretation of the data is complete.

Ikongwe Calcrete Palaeochannel Targets.

The Company has reported the results of soil geochemistry surveys which targeted shallow, calcrete-hosted uranium deposits hosted by buried palaeochannels. There are at least 42 strike-kilometres of significant, well-constrained anomalous trends that are coincident with identified palaeochannels.

The maiden drill programmes are being planned.

Large deposits of this type are the Langer Heinrich Mine in Namibia as well as Yeelirrie in Western Australia, current in feasibility with BHP, and containing an estimated 52,000 tonnes of U₃O₈.

Such targets are commonly initially tested by drilling at a spacing of 1,000 m by 400 m to depths of up to 50 metres.

XADE COPPER-NICKEL-PGE JV PROJECT

At the Xade Project Impact has spent about \$600,000 of the \$1.2 million required to earn a 51% interest. A regional soil geochemistry survey on a 400 m spaced grid is in progress and should be completed in June.

Further interpretation of the results of the airborne magnetic gradiometer survey flown last year has highlighted areas of the Xade Complex that are less than 200 m below surface and more generally in the range 200 m to 400 metres.

New studies of the geochemistry of these cores have added further weight to the significant economic potential of the Xade Complex, which is the same age as, and has similar geology to, the Duluth Complex in North America.

The Duluth Complex is host to several World Class deposits of Cu-Ni-PGE currently in feasibility or development. The Nokomis deposit (Antofagasta and Duluth Metals JV) has an Indicated Resource of 550 Mt at 0.64% Cu, 0.20% Ni and 0.66 g/t Total Precious Metals (TPM) with projected annual operating cash flows of \$400 million.

<http://www.duluthmetals.com/s/Home.asp>

The Eagle deposit occurs adjacent to the Duluth Complex in similar rocks. It is in development by Rio Tinto at a cost of \$470 million and has Reserves of 3.6 Mt at 2.9% Cu, 3.5% Ni and 0.66 g/t TPM.



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The soil geochemistry survey at Xade covers an area of about 120 sq km and 60 strike-kilometres of the prospective rock units.

Geophysical surveys to assist with the discovery of sulphide mineralisation are being investigated and diamond drilling targeted at structural sites is warranted to determine vectors to mineralisation.

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 December 2004 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.

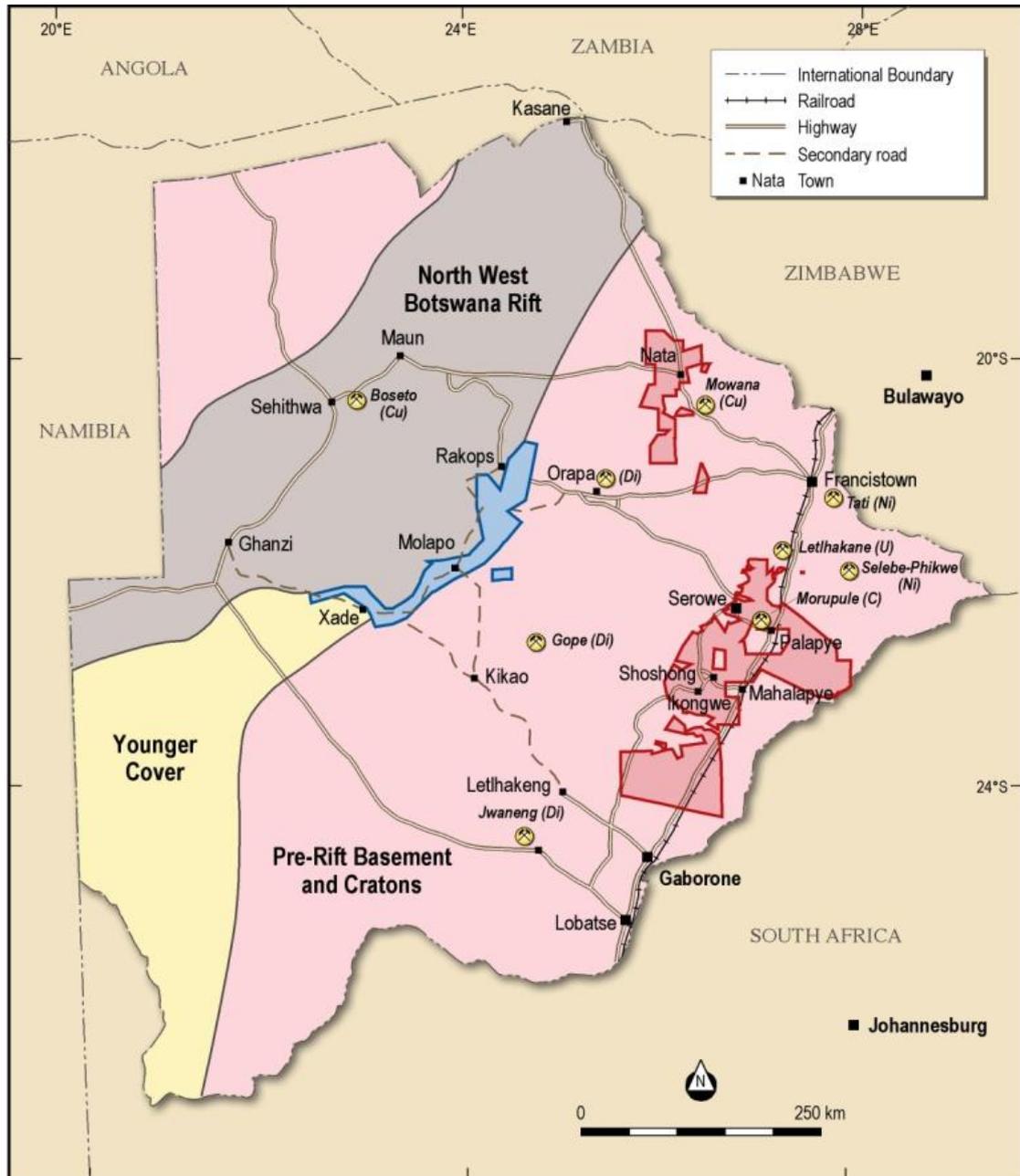


Figure 1. Location of Impact’s Projects in Botswana



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Botswana Uranium Project (Impact 100%)

Impact's Botswana Uranium Project comprises an extensive area of 26,000 square kilometres of Prospecting Licences and applications that cover 450 km of the strike extensions of rocks that host many significant uranium deposits throughout southern Africa, including the adjacent uranium deposits owned by A-Cap Resources Limited at the Letlhakane Project near Serule.

Here A-Cap has reported a combined Indicated and Inferred Resource of 261 Mlb of uranium oxide at an average grade of 152 ppm at a cut-off grade of 100 ppm, in deposits hosted both by near-surface calcrete and by Karoo Supergroup sedimentary rocks. A feasibility study on the Letlhakane Project is in progress.

China Growth Minerals Limited, Impact's largest shareholder with 10.1%, also has a 16.1% shareholding in A-Cap.

Work by Impact has shown that Botswana Uranium Project is prospective for four types of uranium deposits:

- uranium hosted by calcrete and sand in Cainozoic palaeochannels, a style of mineralisation well known in Australia (such as Yeelirrie, >50,000 tonnes U₃O₈) and Namibia (such as Langer Heinrich, >50,000 tonnes U₃O₈);
- deposits hosted by Karoo sedimentary rocks, which host a number of large uranium deposits throughout southern Africa, including at Letlhakane;
- deposits of uranium hosted by Proterozoic sedimentary and basement rocks with geological characteristics similar to those at and around the unconformity and basement-hosted uranium deposits in Proterozoic rocks in the Athabasca Basin (Canada) and the Pine Creek Geosyncline (Australia).

The known deposits of this style are high grade and are attractive exploration targets. The uranium mines of the Athabasca region collectively produce about 20% of the World's uranium. The uranium deposits mined historically, or currently being mined, range in size up to 450 Mlbs U₃O₈ at an average grade of up to 19% eU₃O₈, as at the Cigar Lake Mine.

In addition at the Red Hills Prospect drill results clearly demonstrate that the alteration minerals and anomalous metal values (for uranium, copper, silver, lead and zinc) are extensive and define the outer part of a halo that is typical of those associated with World Class uranium deposits such as Olympic Dam.

- Bulk-tonnage deposits of uranium hosted in leucocratic granite rocks ("alaskite") similar to the Rossing Mine in Namibia.

Impact made four modest uranium discoveries on its Botswana Uranium Project during its 2010 drill programme at Lekobolo, Morolane and Mosolotsane in Karoo rocks and at Moiyabana in Proterozoic basement rocks.

An ASX listed Australian company focused on uranium and copper-nickel-PGE exploration in Botswana

ABN 52 119 062 261



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Company Information

Impact Minerals Limited

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ABN 51 119 062 261

Directors

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Australian Stock Exchange Listing

Shares IPT

Major shareholders as at 31.3.12

China Growth Minerals	8.8%
Directors	12.4%
Top 20	46.2%
Top 50	61.1%

Capital Structure as at 31.3.12

Ordinary Shares on Issue	134,335,328
Total Unlisted Options	5,600,000