

May 22, 2023

CORPORATE RELEASE

Breach of Listing Rule 7.1

Impact Minerals Limited (ASX:IPT) (**Company**) advises that pursuant to two Appendix 3B forms and an announcement lodged by the Company on 1 May 2023, the Company inadvertently agreed and proposed to issue 633,333,333 equity securities, which exceeded (to the extent of 261,127,750 equity securities) the Company's issuance capacity under Listing Rule 7.1 resulting in a breach of ASX Listing Rule 7.1.

This breach was compounded by the Company announcing that it proposed to issue 264,803,722 shares under its Listing Rule 7.1A 10% capacity. This is because the Company did not receive approval for a mandate to issue securities under its 7.1A capacity at its annual general meeting held on 24 November 2022, wherein that resolution was considered and not passed by Shareholders.

Notwithstanding the above, as a result of remedial action immediately taken by the Company upon discovery of the breach, and also by the Company's clarification announcement and amended Appendix 3B forms announced on 4 May 2023, the Company confirms that no actual issue of securities occurred in breach of Listing Rule 7.1. The Company's issue of securities announced on 4 May 2023 will proceed, subject to the approval of its shareholders.

The breach occurred due to an administrative error resultant from numerous factors, including the simultaneous completion of its placement announced on 1 May 2023 and approval for the issue of securities in relation to the Lake Hope Project (see the Company's clarification announcement on 4 May 2023).

Notwithstanding the circumstances that led to the breach, the Company's history of good corporate governance and that the Company's subsequent assessment that its corporate governance policies (available at www.impactminerals.com.au/site/about/corporate-governance) are sufficient to ensure circumstances such as these do not arise, the Company understands the seriousness of the breach and has taken appropriate remedial action and made necessary arrangements to mitigate further breaches of the ASX Listing Rules.

As a result of the breach, the Company:

- 1) Provides to ASX an undertaking that the Company will not issue any equity securities without security holder approval until 12 January 2024 unless the issue comes within an exception in Listing Rule 7.2;
- 2) May not ratify the issue, or agreement to issue, the excess 261,127,750 equity securities under Listing Rule 7.4, as ratification will not refresh the Company's capacity to issue securities without security holder approval under Listing Rule 7.1, given ratification under Listing Rule 7.4 is only available where the securities are issued or agreed to be issued without breaching Listing Rule 7.1; and
- 3) It will make periodic disclosure concerning the abovementioned matters until 29 February 2024, including in its impending Half-Year accounts for the six months ending 31 December 2023.

Authorised by the Board of Impact Minerals Limited

A handwritten signature in black ink, appearing to read 'Michael G Jones', with a horizontal line underneath.

Dr Michael G Jones

Managing Director

Impact Minerals Limited Interactive Investor Hub

Engage with us directly by asking questions, watching video summaries, and seeing what other shareholders have to say about this and past announcements at our Investor Hub

<https://investors.impactminerals.com.au/welcome>