# ASX ANNOUNCEMENT

Date: 28 July 2014
Number: 359/280714

## UPDATE ON DRILL PROGRAMME AT THE COMMONWEALTH PROJECT, NSW

**Significant sulphide mineralisation found in the first five drill holes**

**High grade base metal mineralisation confirmed and new mineralised structure discovered at Main Shaft**

**High grade base metal mineralisation confirmed and significant extension to known mineralisation identified at Commonwealth South**

**Sulphide-silica-sericite zone at least 70 m thick identified at Silica Hill**

**All sulphide zones are coincident with IP anomalies and are open at depth and along strike**

**Down-hole geophysical surveys at Main Shaft and Commonwealth South to start soon**

**First assays expected within 10 days**

The first five drill holes at Impact Minerals Limited (ASX: IPT) maiden drill programme to test a number of geochemical and geophysical targets for high-grade gold-silver base metal mineralisation at its 100% owned Commonwealth Project have all intersected significant sulphide mineralisation.

At the Commonwealth South and Main Shaft Prospects two diamond drill holes (CMD001 and CMD002) have been completed to confirm mineralisation identified by previous explorers and to allow down-hole electrical geophysical surveys to be completed. These surveys, scheduled to start this week, will try to establish the continuity of mineralisation along trend and at depth prior to further step out drilling away from the known mineralisation.

In addition three IP anomalies at Main Shaft, Commonwealth South and the Silica Hill Prospect have been partly tested by three reverse circulation (RC) drill holes.

**Main Shaft (Holes CMD002 and CMRC002)**

At Main Shaft drill hole CMD002 intersected a 7 metre thick zone of massive pyrite-sphalerite-galena (zinc and lead sulphide) with lesser chalcopyrite (copper sulphide) from 53 m depth (Figure 2). This hole was drilled close to Hole CW29 to confirm previous massive sulphide mineralisation and for the purpose of completing a down-hole geophysical survey. Hole CW29 returned 9.8 m at 8.4 g/t gold, 357 g/t silver, 9.3% zinc, 4.1% lead and 0.5% copper from 54 m (Figure 3).

Drill hole CMRC002, drilled to test an IP anomaly identified by Impact west of Main Shaft, intersected a 29 m thick zone of disseminated sulphide mineralisation from 25 m depth (Figure 4). This zone contains variably elevated zinc-lead-copper-arsenic as measured with a handheld XRF instrument (which does not provide gold and silver assays).

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This hole, CMRC002, was halted at 62 m depth because of excessive water flow and poor sample recovery. However, weak sulphide mineralisation was identified in the final 2 metres and is open below this. The hole may be deepened depending on assay results.

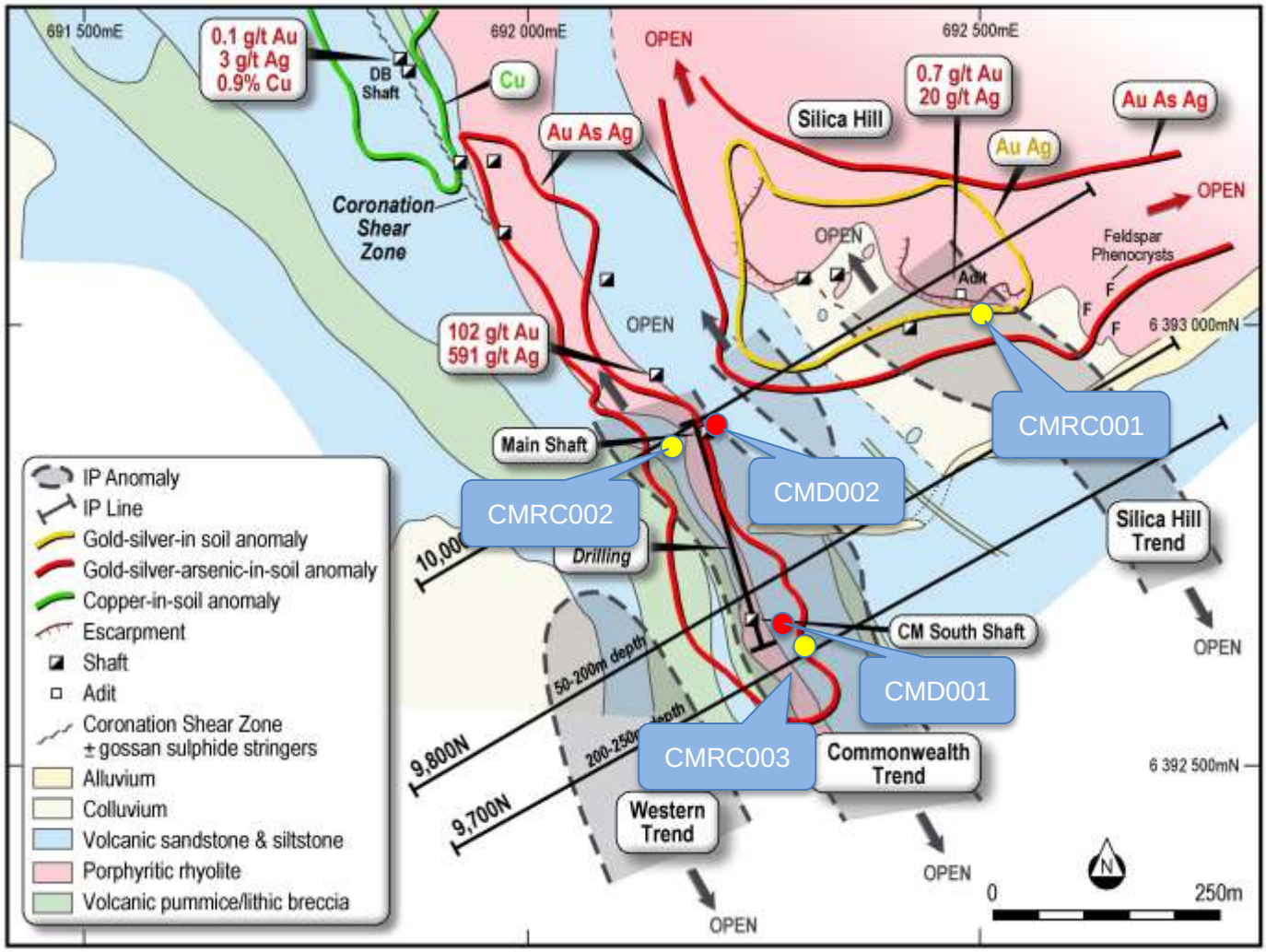


**Figure 1.** Geology and location of drill holes, IP and soil geochemistry anomalies.

### Commonwealth South

At Commonwealth South drill hole CMD001 intersected a 30 m thick zone of variably disseminated pyrite-sphalerite-galena from 24 m depth (Figure 1). This hole was drilled close to Hole CW20 to confirm previous disseminated sulphide mineralisation and for the purpose of completing a down-hole geophysical survey. Hole CW20 returned 6.9 m at 3.4 g/t gold, 72 g/t silver, 2.3% zinc and 1% lead from 29 m and 5.5 m at 3.8 g/t gold, 45 g/t silver, 0.8% zinc and 0.3% lead from 46.4 m (Figure 3).

Drill hole CMDRC003 was drilled to test the down plunge extension of the known mineralisation at Commonwealth South and also to test a near surface IP anomaly (Figure 3). The hole intersected a 26 m thick zone of disseminated sulphide mineralisation from 58 m depth that contains strongly elevated zinc-lead-copper-arsenic as measured with a handheld XRF instrument.

This new intercept has extended the known mineralisation down dip by 20 m and, at this depth, by 50 m along strike (Figure 3). The mineralisation is still open at depth and along strike and further drilling will be planned following the down-hole geophysical survey in CMD001.


**Figure 2.** Massive pyrite (bronze-green colour), sphalerite (pale brown-pink) and galena (silver-grey) in CMD002 at Main Shaft.

**Silica Hill**

At **Silica Hill** a 74m thick zone of sulphide (pyrite)( mineralisation and associated silica-sericite alteration has been intersected from surface in Hole CMRC001 (Figure 4). The hole was stopped at this depth because of excessive water flow and the mineralisation is open below this.

Importantly the centre of the targeted IP anomaly is estimated to be a further 75 m to 100 m below the bottom of the hole (Figure 4). The hole will be re-entered and completed using a diamond drill rig early this week.

**Next Steps**

Samples from CMRC001 at Silica Hill and CMRC002 at Main Shaft have been sent for assay and first results are expected within 10 days. Samples from CMRC003 at Commonwealth South and the two diamond drill holes from Main Shaft and Commonwealth South will be sent for assay this week with results expected within a further two weeks.

The drill programme is continuing with RC pre-collars being drilled for subsequent diamond drilling to test the IP anomalies identified at about 200 m below surface beneath both Main Shaft and Commonwealth South (Figure 3).

Impact is fully funded for the drill programme at Commonwealth, and a further drill programme later in the year at its nickel-copper and platinum project near Broken Hill, after an oversubscribed $2.59 million capital raising completed earlier this month.

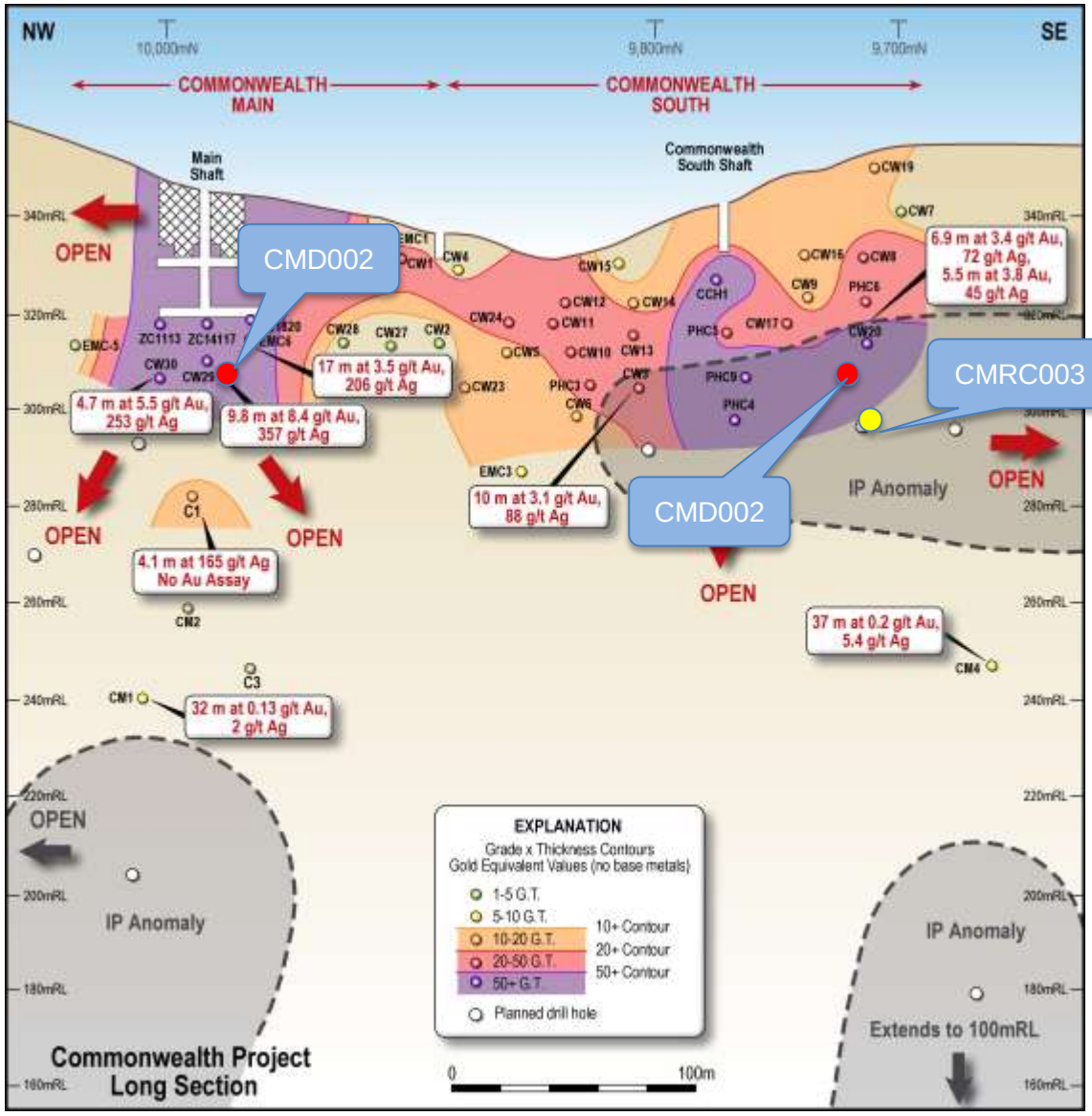


**Figure 3.** Long section between Commonwealth Mine and Commonwealth South showing gold-equivalent grade times thickness contours (in gram*metres), key drill results and IP anomalies.

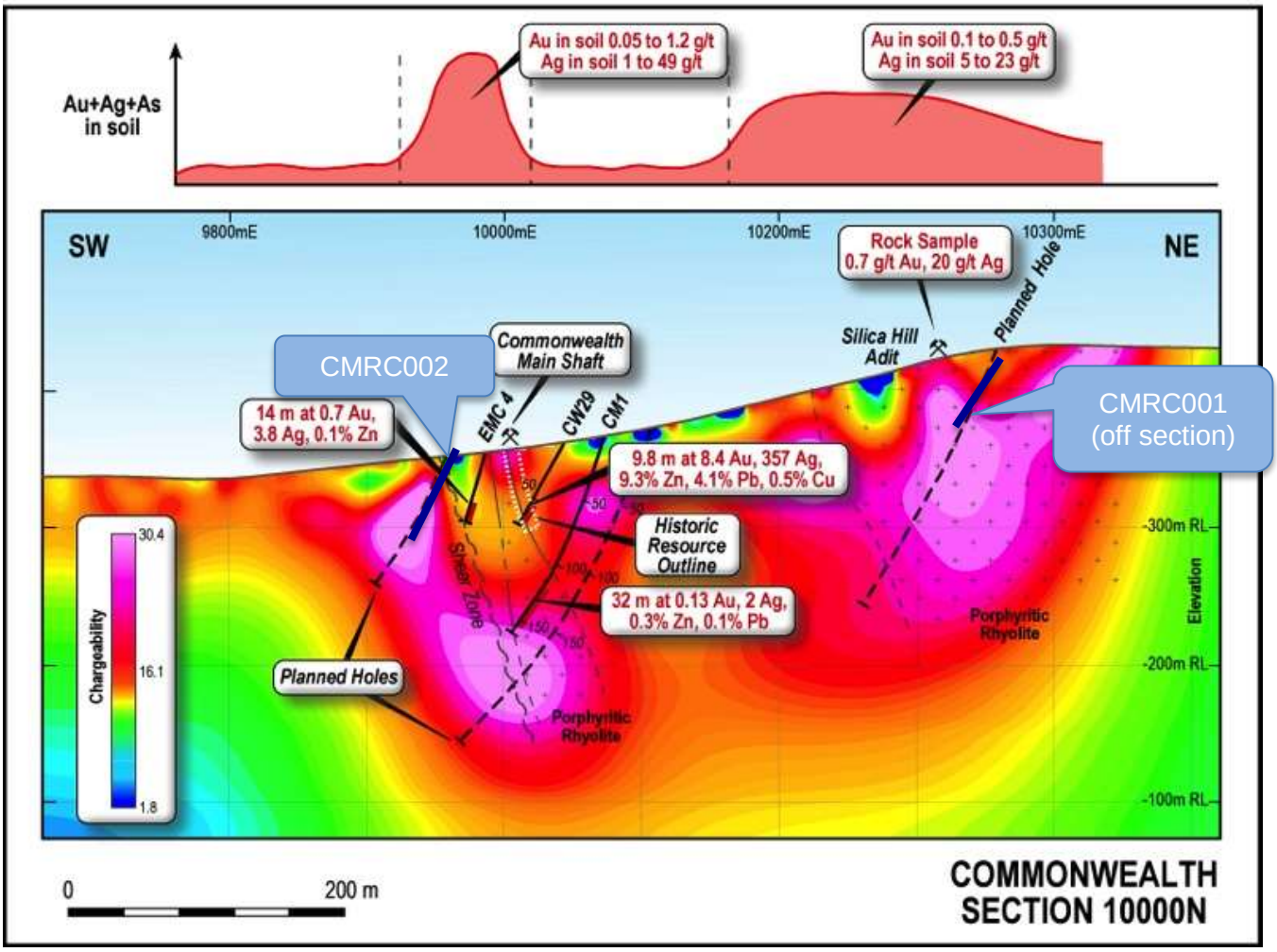


**Figure 4.** IP results along Section Line 10,000 mN (see Figure 1 for location).

**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). 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.* | Random rock samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* | Representative samples at each sample site weigh between 0.8 and 1.2 kg. Sample site area was chosen due to historic rock and soil assay results and the EM survey conducted on the Commonwealth Project. Historic rock sample methods are unknown but are considered immaterial. |
| | *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* | Rock samples were sent to SGS Perth where they were crushed, dried and pulverised (total prep) to produce a 25-30 g sub-samples for analysis initially by Aqua Regia digest with ICP-MS finish for base metals then by four acid digest with an ICP/AES finish for ore grade base metal samples and lead collection fire assay with AAS finish for gold.<br>Historical diamond and RC samples were sent to Fox Anamet, Brookvale NSW where gold was determined by fire assay, base metals by DCP and AAS methods.<br>Weathered samples contained gossanous sulphide material and fresh samples containing visible pyrite, galena, sphalerite and chalcopyrite. |
| **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).* | Historical diamond drilling accounts for 76 % of the drilling and comprises NQ sized core.<br>Historical RC drilling accounts for 24% of the drilling and comprises 6.75 inch/17.1 cm sized core. Historic core is not oriented downhole but this is not material for the results reported here.<br>For Impacts current drill programme reverse circulation drilling and triple tube HQ and NQ diamond core has been used. |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed* | Historical diamond core recoveries for selected holes are logged and recorded. Overall recoveries have not yet been calculated but are estimated to be approximately >95% for the Commonwealth Project. No significant core loss or sample recovery problems are observed in the drill core or historic reports. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples* | Depths were checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination. |
| | *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. However there is an indication that wet RC samples may give lower gold grades due to loss of fine gold. |
| **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.* | For historical diamond core information on structure type, dip, dip direction, texture, shape and fill material has been recorded in the logs. Angles are measured to core axis since core orientation was not done. RQD data has been recorded on selected historic diamond holes. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Logging of historic diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, colour and other features of the samples. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *The total length and percentage of the relevant intersections logged* | All historic diamond drillholes were logged in full. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | All NQ core samples were samples by half core and selected intervals of quarter core were selected for check assays. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | RC samples were split using a riffle splitter. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The sample preparation of rock chips by Impact at Commonwealth follows industry best practice in sample preparation involving oven drying, coarse crushing down to ~10 mm followed by pulverisation of the entire sample (total prep) to a grind size of 85% passing 75 micron. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates.<br>The QC procedure for historical diamond and RC samples is unknown but considered immaterial. |
| | *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.* | Sample duplicates from the historical drilling were taken from selected intervals and compared to the original assay. Quarter core was taken for diamond samples and riffle resplits for RC samples. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The samples sizes at Commonwealth are considered appropriate since gold has been identified as predominantly fine-grained by thin section analysis which would indicate the nugget effect is minimal. |
| **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.* | An industry standard fire assay technique for rock chips using lead collection with an Atomic Absorption Spectrometry (AAS) finish was used for gold.<br>The quality of historical drill sample assays is unknown, however this is considered immaterial at this stage of exploration. |
| | *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.* | No geophysical tools were used to determine material element concentrations. |
| | *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.* | For the rock chips, quality control procedures for assays were followed via internal SGS protocols. Accuracy and precision are within acceptable limits.<br>The quality control of historical drill sample assays is unknown, however this is considered immaterial at this stage of exploration. |
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.* | Significant intersections from historic drilling have not been verified by independent or alternative companies. This is not required at this stage of exploration. |
| | *The use of twinned holes.* | Twin historical diamond versus RC hole was drilled at Commonwealth South. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Primary assay data for rock chips has been entered into standard Excel templates for plotting on Mapinfo. All historical drill data has been entered digitally by previous explorers and verified internally by Impact. |
| | *Discuss any adjustment to assay data.* | Any identified historic data entry errors have been adjusted by Impact and recorded in the comments. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Location of data points** | *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.* | Recent drill holes have been located by DGPS. Historical drill holes and mine shafts have been verified by the DGPS. |
| | *Specification of the grid system used.* | The grid system for Commonwealth is MGA_GDA94, Zone 55. |
| | *Quality and adequacy of topographic control.* | Standard government topographic maps have been used for topographic validation. The DGPS is considered sufficiently accurate for elevation data. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.* | Drill spacing of historical drill holes ranges between 10 and 30 m which is considered adequate for Exploration Results. |
| | *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.* | Drill spacing of historical drill holes ranges between 10 and 30 m and may be considered adequate for Mineral Resource and Ore reserve estimation procedures. However estimations of grade and tonnes have not yet been made. |
| | *Whether sample compositing has been applied.* | Sample compositing has been applied for quoting drill composite results only. |
| **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.* | Historical drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation. |
| | *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.* | No significant sample bias has been identified from historical drilling due to the optimum drill orientation described above. Where present, sample bias will be reported. |
| **Sample security** | *The measures taken to ensure sample security.* | For rock samples, chain of custody is managed by Impact Minerals Ltd. Samples for Commonwealth are delivered by Impact Minerals Ltd personnel to SGS Perth 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. Security of historic drill samples is unknown however is considered immaterial. |
| **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. An internal review of the sampling techniques and data will be completed in due course. |

## 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 Commonwealth Project currently comprises 1 exploration licences covering 8 $km^2$. The tenement is held 100% by Endeavour Minerals Pty Ltd which has been acquired by Impact Minerals Limited. 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. |
| **Exploration done by other parties** | Acknowledgment and appraisal of exploration by other parties. | A total of 66 drillholes have been completed over 300 m strike between the Commonwealth main shaft and Commonwealth South by previous explorers to an average depth of 53 m. |
| **Geology** | Deposit type, geological setting and style of mineralisation. | The Commonwealth and Commonwealth South deposits are considered gold-rich volcanic hosted massive sulphide (VMS) deposits that occur at and below the contact with a porphyrictic rhyolite and overlying volcanic sedimentary rocks. |
| **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:<br>• easting and northing of the drill hole collar<br>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>• dip and azimuth of the hole<br>• down hole length and interception depth<br>• hole length. | Further details are not material for this early stage of exploration. Information on the historic drill holes is currently being compiled. |
| **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. | All reported assays have been length weighted. No top cuts have been applied. A nominal cut-off of approximately 0.5 g/t Au has been applied. |
| | 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. | Gold equivalent values have been used in the long section. Metal prices used for the gold equivalent were $1,650 for gold and $30 for silver. Given the high grade results, it is assumed that very high recoveries will be achieved. However no metallurgical studies have been completed to verify this. Such studies will be done as and when appropriate. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Relationship between mineralisation widths and intercept lengths** | These relationships are particularly important in the reporting of Exploration Results.<br>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>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'). | Historical drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so intervals are close to true width or otherwise stated. |
| **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).<br>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 recent and historic results which is ongoing. |