



IMPACT MINERALS WELL-FUNDED TO EXPAND COMMONWEALTH GOLD PROJECT

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THE INSIDE STORY: Impact Minerals has managed to achieve what any number of ASX-listed companies would have been very happy to emulate in the past 12 months. **By Mark Mentiplay**

That has been to maintain positive momentum throughout the recent downturn, which is directly attributable to the company's willingness to get out and do what exploration companies do best – explore.

This is one aspect that has set the company apart from most of its peers over the last couple of years and has paid off with it sitting in the enviable position of being well funded and able to sustain a good share price and market cap in that period.

Although its current focus is on its high grade precious and base metal Commonwealth project, Impact will still be keeping a close eye on the Broken Hill platinum-copper-nickel project where it intends to commence follow-up work on the highly-promising drill results achieved on the Red Hill prospect last year. Both of these projects are in New South Wales.

“It may appear to the market that we have taken our eye off the Broken Hill nickel-copper-PGE project by increasing our focus the Commonwealth gold, silver, lead-zinc and copper project,” Impact Minerals managing director Dr Mike Jones told The Resources Roadhouse.

“This is simply because the amount of aggressive exploration we have carried out over the two years has generated some very high-grade drill results for those metals on both of the projects.

So now we are beginning a new phase of significant follow-up drilling, starting at Commonwealth with the intention of heading then back to Broken Hill later in the year.”

Impact is now focusing on expanding the already outlined Commonwealth gold-silver-zinc resource for early production/cash flow.



The Commonwealth project has an established mineable gold equivalent resource and a one million ounce - plus exploration target.

The company also has two powerful backers, which means it is now cashed up and ready to continue focusing its exploration spotlight on the Commonwealth gold project.

Commonwealth already has current Inferred gold-silver-copper-lead-zinc Resources of 720,000 tonnes at 4.5 grams per tonne gold equivalent (AuEq) containing 110,000 ounces AuEq, including 140,000 tonnes at 9.3g/t gold for 47,000 ounces AuEq, underlining the high grades being found.

According to Dr Jones, the 315 square kilometre project, located 95 kilometres north of Orange, has the potential for small scale, early production, with a one million ounce gold equivalent exploration target

“The grades are coming up well and grade conquers all,” he said.

“That is necessary in this market.

“At the Commonwealth gold project, we believe we have found a starter pit, now we have to extend that.

“We haven’t had the discovery hole for a major deposit yet, but we are aiming for more than one pit and an underground operation.”

The 100 per cent-owned project sits within the Lachlan Fold Belt, a renowned region for major gold-silver-base metal mines.

Impact acquired the Commonwealth project in June 2013, since when it has demonstrated its potential to host two deposit types: a high-grade gold-

volcanic massive sulphide (VMS), like the seven million ounce AuEq Woodlawn-style orebody; and porphyry copper-gold discoveries such as the 25 million ounce gold/4.9 million tonnes copper Cadia-Ridgeway project.

Impact has identified multiple targets at depth and along trend from the known resource as well as new, untested targets discovered by geophysics and soil geochemistry over 8sqkm and growing.

In all, the company boasts 50km of strike potential for the two types of deposits.

Previous exploration, including a ground electromagnetic survey, re-logging and sampling of previous drill core, is now being followed by ground radar and a major reverse circulation and diamond drilling program of up to 3,000m.

This will test the top dozen of 40 or so targets to have been identified at four prospects covering 5sqkm – these being the Commonwealth deposit, Silica Hill, Welcome Jack and Doughnut.

This work is designed to test Impact Mineral's growing belief that the targets are all part of one large porphyry copper-epithermal system.

At the Commonwealth mine, intercepts from different holes have included:

4.7m at 5.5g/t gold and 253g/t silver from 54.3m; and
9.8m at 8.4g/t gold and 357g/t silver from 54.2m.

Commonwealth South has yielded:

4 m at 41 g/t gold; and
26m at 2.5g/t gold and 20g/t silver from 32m.

"Each time we've spent exploration money, we've had good results," Jones said.



The Broken Hill PGM-nickel-copper project, located 20km east of the world-class Broken Hill silver-lead-zinc mine in NSW, has yielded the highest platinum grades ever found in Australia and has an exploration target of one million ounces PGMs.

Three priority targets have been identified over a prospective 40km belt within Impact's 200sqkm EL in the SE part of the richly mineralised Curnamona Province.

The Platinum Springs target has yielded drill intercepts of 52.6g/t platinum equivalent and more recently, 0.6m at 11.5g/t platinum, 25.6g/t palladium, 1.4g/t gold, 7.6% copper, 7.4% nickel and 44.3g/t silver.

Red Hill has also yielded high-grade PGM, copper and nickel results.

Drill hole RHD012 demonstrated rare PGE rhodium of 4.6g/t, 7.2g/t iridium, 5.6g/t osmium, 3.1g/t ruthenium, 10.4g/t platinum, 10.9g/t gold, 294g/t palladium, 335.8g/t 6PGE+gold, 7.4% nickel, 1.8% copper and 19g/t silver over 1.2m.

This intercept sits within a high-grade 3.5m intercept of 1.7g/t rhodium, 2.6g/t iridium, 2g/t osmium, 1.1g/t ruthenium, 144g/t palladium, 5g/t platinum, 6g/t gold, 2.3% copper, 159g/t 6PGE+gold, 2.9% nickel, 2.3 copper and 14.5g/t silver.

In addition high grade zinc-lead-silver mineralisation has also been discovered

and RHD018 returned 1m at 26.8% zinc, 2.8% lead, 133g/t silver and 1m at 21.4% zinc, 08% lead and 31.5g/t silver, within a 5.1m intercept of 10% zinc, 0.8% lead and 40.4g/t silver.

Spectacular high-grade rock chip and bulk samples have also been found over 9km of strike at Moorakai.

Work at the Broken Hill project is ongoing, with re-analysis and synthesis of previous exploration results expected to confirm the potential for bulk tonnage PGE mineralisation.

Jones said he expects follow up drilling at Red Hill after the current Commonwealth drilling, probably about 2,000m in the September 2016 quarter.

Impact is nicely cashed up with exploration funding of up to \$8.3 million for its two prime NSW projects.

It has \$4 million in the bank and another potential \$4.3 million of funding when/if iron ore mining billionaire and Fortescue Metals boss Andrew Forrest's Squadron Resources exercises its share options also an option to acquire a 19.9 per cent stakes in the Commonwealth and Broken Hill projects. This follows an earlier injection of \$3 million cash by Squadron via a placement and convertible note.

Impact has also received strong funding from 28 per cent major shareholder, the prominent German industrial Bunnenberg family.

There is a certain serendipitous aspect to Impact's exploration and development of both the Commonwealth and Broken Hill projects.

Coincidentally, at the time of Impact's interest, both projects were also being investigated by Squadron's and Forrest's right hand geologist, Dr John Clout, who along with Dr Jones, worked at pre-eminent Western Australian miner Western Mining in the 1980s-1990s.

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...The short story

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MAJOR SHAREHOLDERS

Bunnenberg Family 28%

Squadron Resources 6%

Directors 7%

http://www.resourcesroadhouse.com.au/blog/Resources_Roadhouse/post/impact-minerals-well-funded-to-expand-commonwealth-gold-project/