

IMPACT MINERALS LIMITED
(and Controlled Entities)

ABN 52 119 062 261

HALF-YEAR FINANCIAL REPORT
31 December 2023

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CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	5
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	10
DIRECTORS' DECLARATION.....	17
INDEPENDENT AUDITOR'S REVIEW REPORT.....	18

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2023.

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Peter Unsworth – Non-Executive Chairman
- Michael Jones – Managing Director
- Paul Ingram – Non-Executive Director
- Frank Bierlein – Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration for deposits of nickel, gold, copper and platinum group elements mostly within Western Australia.

REVIEW OF OPERATIONS

Lake Hope HPA Project, WA (IPT 80%)

- Scoping study demonstrates very attractive financial returns; NPV8 A\$1.3 billion, CAPEX A\$253 million, IRR of 55%.
- OPEX costs estimated at US\$3,400/tonne, potentially the lowest cost globally.
- Significant progress made on the Preliminary Feasibility Study including completion of environmental baseline studies and a bulk sampling programme for future test work.
- Three of the Five Stages of the Playa One proprietary and patented sulphate process that converts raw lake clay from Lake Hope into High Purity Alumina (HPA) completed. Results either confirm or improve upon previous results.
- Intermediate aluminium salts have been produced from Stage 3 that require further purification in Stages 4 and 5 to make HPA, with results expected Q1-Q2 2024.
- Discussions with industry analysts, marketing representatives and end users have commenced to secure agreements for product testing.
- Heritage survey completed with the Ngadju Native Title group with clearance received for ground-disturbing activities over the entire Lake Hope deposit and nearby access tracks.
- The heritage clearance significantly de-risks the Lake Hope project and is a critical component of the work required to lodge a Mining Lease Application, planned for mid 2024.

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DIRECTORS' REPORT

Broken Hill Project, NSW (IPT 100%)

- Broken Hill update: Xplor programme completed. Data synthesis and interpretation in progress of all data collected during Xplor.

Arkun Nickel-Copper-PGM Project, WA (IPT 100%)

- A helicopter-borne MobileMT survey completed over the central Arkun area to map apparent conductivity.
- Proprietary 3D inversion modelling of the data has developed a three-dimensional conductivity and resistivity model of the underlying geology to approximately 1 kilometre depth.
- A further 1,000 soil samples collected with results due in Q1 2024.
- Five large nickel-copper-platinum group-metal (Ni-Cu-PGM) soil geochemistry anomalies, each covering several square kilometres, were identified in the northern portion of the Arkun project.
- The soil anomalies coincide with magnetic and/or gravity geophysical anomalies that may represent mafic and ultramafic intrusions.
- Field checking confirms mafic and ultramafic rocks occur within some anomalies and these are priority targets for magmatic Ni-Cu-PGM mineralisation.
- A further 1,000 soil samples have been recently collected and submitted to the laboratory, with results due in the December Quarter.
- Twenty moderate to strong electromagnetic (EM) conductors identified in 400 m line-spaced airborne electromagnetic ("AEM") survey data collected by the XCalibur HELITEM time-domain system.
- Several priority EM anomalies coincide with the magnetic and gravity anomalies and Ni Cu PGM-in-soil anomalies.
- Many other anomalies have yet to be soil sampled, and this work is a priority for the next few Quarters with a view to a maiden drill programme in 2024.

Commonwealth Gold-Silver-Zinc-Lead-Copper Project, NSW (IPT 100%)

- Burrendong Minerals Ltd completed a seed capital raise to fund the company through to an IPO planned for Q1-Q2 2024. Burrendong has the right to earn an 80% interest in Commonwealth.
- Revised Terms agreed for the Sale of a 75% Interest in the Commonwealth Project, NSW

Other Projects (Impact 100% and 80%)

- Doonia: 655 soil samples across the entire licence to explore for lithium and gold with results due in Q1 2024.
- Work progressed on analysing the previous exploration results at the Dinninup, Mineral Hill, Dalgara and Narryer projects.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

During the half-year the Group reported an operating loss after tax of \$4,610,291 (half-year to 31 December 2022: \$2,015,967). As at 31 December 2023 the Group had net assets of \$13,317,197 (30 June 2023: \$17,417,108) including \$2,098,453 of cash and cash equivalents (30 June 2023: \$4,688,824).

EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

AUDITOR'S DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors.



Peter Unsworth
Chairman

Perth, 13 March 2024

Competent Person's Statement

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). Dr 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.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.

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To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Impact Minerals Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 13th day of March 2024
Perth, Western Australia

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	CONSOLIDATED	
		31 Dec 2023 \$	31 Dec 2022 \$
Interest and other income	3	77,974	22,192
Other income	3	-	5,000
		77,974	27,192
Employee benefits expense		(252,102)	(474,749)
Corporate and administration expenditure		(736,752)	(446,515)
Depreciation and amortisation expense		(54,307)	(9,297)
Occupancy expense		(26,613)	(33,538)
Financing expense		(22,493)	-
Impairment of exploration expenditure	7	(3,595,998)	(1,079,060)
Loss before income tax expense		(4,610,291)	(2,015,967)
Income tax expense		-	-
Net Loss from continuing operations		(4,610,291)	(2,015,967)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets	6	53,000	(13,750)
Other comprehensive income (net of tax)		53,000	(13,750)
Total comprehensive loss for the period		(4,557,291)	(2,029,717)
Total comprehensive loss attributable to the owners of Impact Minerals Limited		(4,557,291)	(2,029,717)
Loss attributable to the owners of Impact Minerals Limited		Cents per share	Cents per share
Basic Profit/(Loss) per share	13	(0.16)	(0.08)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	CONSOLIDATED	
		31 Dec 2023 \$	30 Jun 2023 \$
Current Assets			
Cash and cash equivalents	4	2,098,453	4,688,824
Trade and other receivables		30,674	41,915
Other current assets		81,031	61,561
Assets held for sale	5	1,782,037	3,277,513
Total Current Assets		3,992,196	8,069,813
Non-Current Assets			
Financial assets at fair value through other comprehensive income	6	179,250	126,250
Property, plant and equipment		32,061	30,506
Exploration expenditure	7	9,590,142	9,568,039
Right of Use Assets		397,129	442,087
Other non-current assets		234,055	234,055
Total Non-Current Assets		10,432,637	10,400,937
TOTAL ASSETS		14,424,833	18,470,750
Current Liabilities			
Trade and other payables		519,541	452,065
Short-term provisions		152,664	151,973
Lease Liabilities		72,141	48,102
Total Current Liabilities		744,346	652,140
Non-Current Liabilities			
Lease Liabilities		363,289	401,502
Total Non-Current Liabilities		363,289	401,502
TOTAL LIABILITIES		1,107,635	1,053,642
NET ASSETS		13,317,198	17,417,108
EQUITY			
Issued capital	8	62,980,533	62,742,519
Option reserve	8	1,301,190	1,711,433
Financial asset reserve	9	29,250	(23,750)
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Accumulated losses		(49,832,706)	(45,852,025)
TOTAL EQUITY		13,317,198	17,417,108

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued capital \$	Option reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	58,426,867	1,406,016	72,500	(1,161,069)	(40,187,297)	18,557,017
Loss for the period	-	-	-	-	(2,015,967)	(2,015,967)
Other comprehensive income	-	-	(13,750)	-	-	(13,750)
Total comprehensive loss for the half-year	-	-	(13,750)	-	(2,015,967)	(2,029,717)
Transactions with owners in their capacity as owners						
Fair value of options issued	-	324,214	-	-	-	324,214
Fair value of options expired	-	(86,400)	-	-	86,400	-
Balance at 31 December 2022	58,426,867	1,643,830	58,750	(1,161,069)	(42,116,864)	16,851,514
Balance at 1 July 2023	62,742,519	1,711,433	(23,750)	(1,161,069)	(45,852,025)	17,417,108
Loss for the period	-	-	-	-	(4,610,291)	(4,610,291)
Other comprehensive income	-	-	53,000	-	-	53,000
Total comprehensive loss for the half-year	-	-	53,000	-	(4,610,291)	(4,557,291)
Transactions with owners in their capacity as owners						
Shares issued	240,000	-	-	-	-	240,000
Share issue costs	(1,986)	-	-	-	-	(1,986)
Fair value of options issued	-	201,851	-	-	-	201,851
Fair value of performance rights issued	-	17,516	-	-	-	17,516
Fair value of options expired	-	(629,610)	-	-	629,610	-
Balance at 31 December 2023	62,980,533	1,301,190	29,250	(1,161,069)	(49,832,706)	13,317,198

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Notes	CONSOLIDATED	
		31 Dec 2023 \$	31 Dec 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,069,724)	(670,012)
Interest received		79,546	6,891
Interest paid		(11,493)	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(1,001,671)	(663,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,904)	-
Payments for exploration activities		(1,575,810)	(1,093,821)
Proceeds from the sale of tenements		-	50,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,586,714)	(1,043,821)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs		(1,986)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(1,986)	-
Net increase/(decrease) in cash and cash equivalents		(2,590,371)	(1,706,942)
Cash and cash equivalents at beginning of the period		4,688,824	3,816,089
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,098,453	2,109,147

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim report is intended to provide users with an update on the latest annual financial statements of Impact Minerals Limited and its controlled entities (the consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2023, together with any public announcements made during the half-year.

Except for Note 1(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial statements have been prepared on the historical cost basis, except where stated. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

b) New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2023.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

c) Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group generated a loss for the period of \$4,610,291 (2022: loss of \$2,015,967) and net cash outflows from operating activities of \$1,001,671 (2022: \$663,121). As at 31 December 2023 the Consolidated Group had a cash balance of \$2,098,453 (30 June 2023: \$4,688,824).

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2: SEGMENT REPORTING

Management has determined that the Group has one material reportable segment, being mineral exploration in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 3: INTEREST AND OTHER INCOME

	31 Dec 2023 \$	31 Dec 2022 \$
Interest income	77,974	22,192
Other income	-	5,000
	77,974	27,192

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2023 \$	30 Jun 2023 \$
Cash at bank and on hand	543,203	2,633,574
Short-term deposits	1,555,250	2,055,250
	2,098,453	4,688,824

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 5: ASSETS HELD FOR SALE

	31 Dec 2023 \$	30 Jun 2023 \$
Tenements held for sale	1,782,037	3,277,513
	1,782,037	3,277,513

In April 2022, the Company announced that it had sold Mining Lease ML 2386 to Peter Campbell FT Pty Ltd ("PCFT") an unrelated Company for \$30,000. The Company also granted PCFT an option ("Option") to buy all of the shares in Blackridge Exploration Pty Ltd ("Blackridge" a wholly owned subsidiary of Impact). The assets of Blackridge are three exploration licences EPM26806, EPM27410 and EPM27571. PCFT paid the non-refundable Option Fee of \$50,000 in August 2022 and has two years to exercise the Option. Upon exercise of the Option, PCFT will pay \$350,000 for the shares in Blackridge and the Company will retain a 1% gross gold royalty after the first 5,000 ounces have been recovered from any of the tenements. At 30 June 2023 the Blackridge tenements were held at their fair value (\$342,942).

In February 2024 the Company executed a shareholders sale agreement that subject to final CP's, completes the sale of 51% of the Commonwealth Project to Burrendong Minerals Limited with an earn in right to acquire a further 24% interest by meeting certain expenditure targets. Therefore, the Company has included that 51% at fair value for assets held for sale.

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 Dec 2023 \$	30 Jun 2023 \$
Opening balance	126,250	222,500
Additions	-	-
Change in fair value	53,000	(96,250)
Closing balance	179,250	126,250

The fair value of listed financial assets at fair value through other comprehensive income has been determined directly by reference to published price quotations in an active market, with movement in fair value recognised in other comprehensive income.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 7: EXPLORATION EXPENDITURE

	31 Dec 2023 \$	30 Jun 2023 \$
Opening balance	9,568,039	11,195,288
Exploration expenditure incurred during the year	3,077,869	3,640,557
Commonwealth Project	404,470	-
Lake Hope Project acquisition costs	135,762	-
Hopetoun Project	-	(994,601)
Broken Hill Project	-	(4,000,000)
Impairment expense	(3,595,998)	(273,205)
Closing balance	9,590,142	9,568,039

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 8: ISSUED CAPITAL

	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares fully paid	62,980,533	62,742,520

a) Movements in ordinary shares on issue

	HALF-YEAR ENDED 31 DEC 2023		YEAR ENDED 30 JUN 2023	
	No.	\$	No.	\$
At the beginning of the period	2,844,703,889	62,742,519	2,481,370,556	58,426,867
- Placement ^(a)	-	-	333,333,333	4,000,000
- Rights issue ^(b)	-	-	30,000,000	360,000
- Placement ^(c)	20,000,000	240,000	-	-
- Transaction costs	-	(1,986)	-	(44,347)
At the end of the period	2,864,703,889	62,980,533	2,844,703,889	62,742,519

(a) In March 2022, the Company raised \$2,000,000 (before costs) via a placement of 166,666,667 new shares at an issue price of 1.2 cents each.

(b) In June 2022 the Company completed a Renounceable Rights Issue raising \$3,199,999 (before costs) via the issue of 290,908,970 new shares at an issue price of 1.1 cents each together with one free attaching listed option exercisable at \$0.02 on or before 2 June 2024 for every two new shares subscribed for (145,454,389 Listed Options). A further 12,800,000 listed options were issued to the underwriter as part consideration for their services.

(c) In August 2023 the Company issued 20,000,000 share to exercise the Lake Hope option.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

b) Movements in options and performance rights on issue

	HALF-YEAR ENDED 31 DEC 2023		YEAR ENDED 30 JUN 2023	
	No.	\$	No.	\$
At the beginning of the reporting period	426,254,389	1,711,433	365,754,389	1,406,016
Options issued - unlisted	30,000,000	201,851	85,000,000	422,717
Performance rights issued	137,000,000	17,516	-	-
Options expired	(93,000,000)	(629,610)	(24,500,000)	(117,300)
At the end of the reporting period	430,754,389	1,301,190	426,254,389	1,711,433

NOTE 9: FINANCIAL ASSET RESERVE

	31 Dec 2022	30 Jun 2022
	\$	\$
Financial asset reserve		
Opening balance	(23,750)	72,500
Financial assets at fair value through other comprehensive income (Note 6)	53,000	(96,250)
Closing balance	29,250	(23,750)

NOTE 10: SHARE BASED PAYMENTS

On 17 August 2023, 30,000,000 unlisted options were granted to the vendor of the Lake Hope project as payment of the option fee for the Lake Hope project.

Directors (or their nominees) following shareholder approval at the 2022 Annual General Meeting. On 7 December 2022, 32,000,000 unlisted options were issued to employees under the Company's Director and Employee Acquisition Plan.

The fair value of options granted was determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option.

The following table lists the model inputs for the options granted during the half-year ended 31 December 2023:

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Inputs	Issue 52
Number of options	30,000,000
Exercise price	\$0.0112
Grant date	17 Aug 2023
Expiry date	1 December 2025
Vesting date	Immediate
Share price at grant date	\$0.014
Historical volatility	100%
Risk-free interest rate	4.01%
Expected dividend yield	0%

The share-based payment expense for the half-year was \$219,367 (2022: \$324,214).

NOTE 11: CONTINGENCIES

There has been no change in contingent liabilities or assets since the annual reporting date.

NOTE 12: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), the *Mining Act 1992* (New South Wales) and the *Mineral Resources Act 1989* (Queensland) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

As at the reporting date, there has been no material change in the commitments since 30 June 2023.

NOTE 13: EARNINGS PER SHARE

	Half-year ended 31 Dec 2023 Cents	Half-year ended 31 Dec 2022 Cents
Basic profit/(loss) per share	(0.16)	(0.08)

The following reflects the income and share data used in the calculations of basic profit/(loss) per share:

	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Profit / (Loss) used in calculating basic earnings per share	(4,610,291)	(2,015,967)

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Half-year ended 31 Dec 2023 Number	Half-year ended 31 Dec 2022 Number
Weighted average number of ordinary shares used in calculating basic loss per share	2,852,155,944	2,481,370,556

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 14: EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- a) The financial statements and notes of Impact Minerals Limited for the half-year ended 31 December 2023 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) In the Directors' option there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Peter Unsworth

Chairman

Perth, Western Australia

13 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMPACT MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Impact Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Impact Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$4,610,291 during the half year ended 31 December 2023. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 13th day of March 2024
Perth, Western Australia