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*****Flash Report*****

Impact Minerals

IPT.AX in Australia

August 2017

Has this small Australian jr explorer discovered an Eskay Creek 2.0?



- Impact Minerals
- Trading on the ASX in Australia - IPT
- 848 million shares outstanding
- Share price August 7, 2017 - \$.022
- Market Cap: \$19 million
- Cash in the Treasury over \$1.5 million
- No debt
- Possible feeder zone just announced

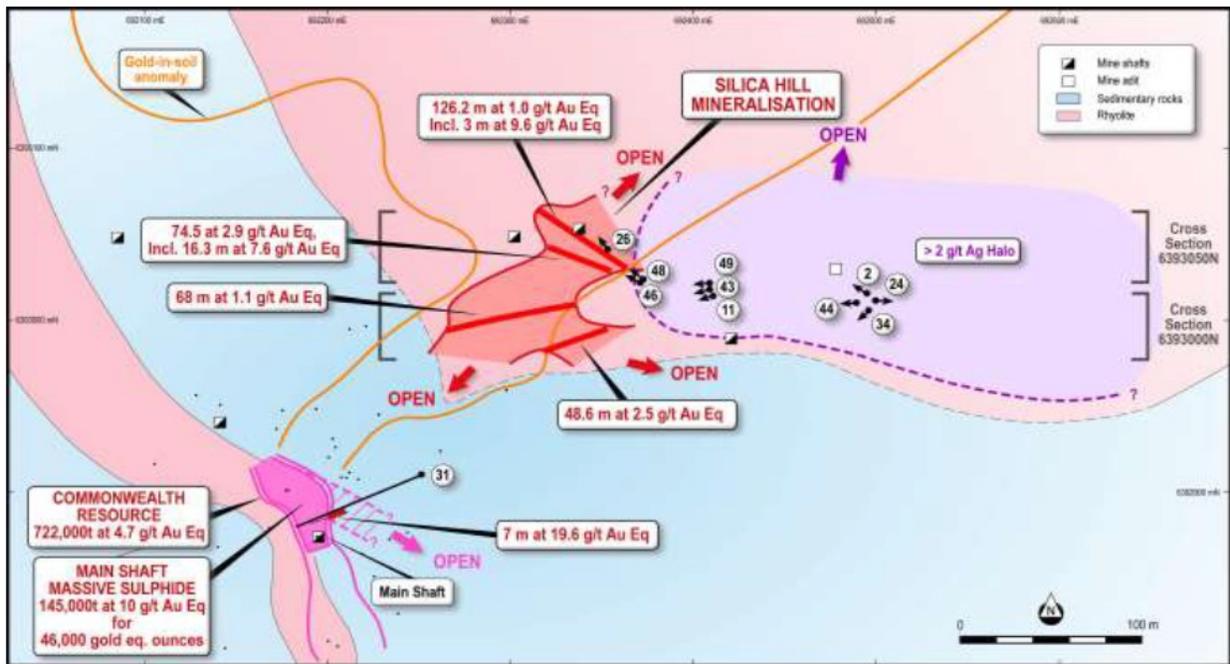
Summary

I've been spending more time researching the Australian junior explorers having purchased shares in Artemis Resources (ARV.AX) in July at around \$.08 after the announcement of the potential Wits 2.0 discovery by the joint venture with Novo Resources (NVO on the TSX-V). I usually scan the press releases issued by the Aussie explorers during the evening here in Northern Kentucky as the market opens in Australia at 8 pm EST my time. This past Friday I came across a press release issued by a small junior Impact Minerals (IPT on the ASX – not to be confused with Impact Silver – IPT on the TSX-V) that caught my attention and after spending 4-5 hours going over their press releases and videos from conferences from the past 12 months I became intrigued with the possibility that they may have just discovered the edges of a possible Eskay Creek 2-type discovery. Below I offer just a few highlights of my research and some links for you to review as I did so you can come to your own conclusions. For full disclosure I purchased 250,000 shares of Impact Minerals when the markets opened Monday (August 7th) in Australia.

Background

Impact has been around for over 10 years having IPO'd in Australia in 2006. They've toiled in many commodities in various geographic locals but have finally settled on Eastern Australia and their Commonwealth gold/silver/base metal project. The project has a small Inferred resource of 720,000 tonnes at 2.8 g/t gold, 48 g/t silver, 1.5% zinc and 0.6% lead (4.5 g/t gold equivalent for 110,000 gold equivalent ounces). Within this resource is a massive sulphide lens about 50 metres by 50 metres by about 8 metres thick in size which has an Inferred Resource of 145,000 tonnes at 4.5 g/t gold, 142 g/t silver, 4.8% zinc, 1.7% lead and 0.2% copper (10 g/t gold equivalent for 47,000 gold equivalent ounces). So far, nothing to get excited about.

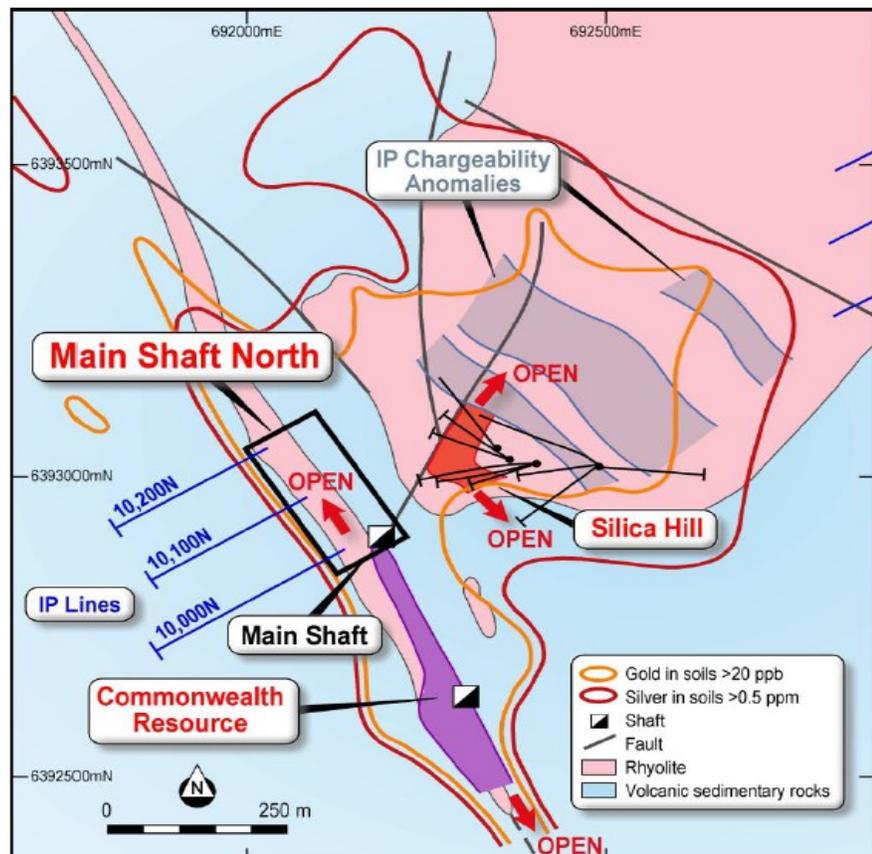
In 2016 they started drilling in an area called Silica Hills about 150 meters north east of the small gold/silver/base metal resource. The small drill program of 6 holes looked a bit more interesting than the existing resource with drill intercepts that included 74.5 metres at 2.9 g/t gold equivalent including 16 metres at 7 g/t gold equivalent as well as narrower zones of high grade gold and very high grades of silver including 0.9 metres at 3,150 g/t silver and 2 g/t gold among others. The existing small resource (in purple) and the Silica Hills drilling (in red) is shown on the map below.



In the Spring of this year Impact management did some IP and soil work and uncovered some intriguing targets just to the northeast of where the 2016 drilling took place as shown below:

The 3 areas in grey are the anomalies and the size and strength of the IP anomalies and their coincidence with strong gold- and very strong silver-in soil anomalies is was thought to be very encouraging for the discovery of further high grade gold and silver mineralisation.

The massive 23 million gold oz Cadia-Ridgeway deposit lies to the south of Silica Hill so this belt is already well endowed with gold.



The headline read:

THICK WIDTHS OF VISIBLE SILVER AND BASE METAL VEINS IN THE FIRST TWO DIAMOND HOLES AT SILICA HILL; ASSAYS FOR GOLD AND ALL METALS PENDING

- 116 metre thick zone of veins in Hole 63: upper silver rich zone and lower base metal and silver rich zone.
- Represent first indications of the anticipated high grade “feeder zones” to the Silica Hill system that may extend for up to one kilometer to the north east.
- 90 metre thick zone of veins in Hole 61: upper silver rich zone and lower molybdenum zone.
- True width estimated to be at least 40 metres thick.
- All indications of mineralisation are either visual or by handheld XRF.
- Gold and all other assays expected in three to five weeks.



As the press release states:

The nature of the veins and the unique metal assemblage are interpreted to be characteristic of the edges of a high grade “feeder zone” to the large mineralised system at Silica Hill. This is the first indication of this type of feeder vein at Silica Hill and which were postulated to be present in a previous announcement by Impact (ASX announcement 6 June 2017). The feeder zone is interpreted to possibly extend for a further 1,000 metres to the north east.

Such feeder zones occur within gold-rich volcanogenic massive sulphide deposits (gold-rich VMS), a class of deposit only recognised within the past 20 years and which the Commonwealth-Silica Hill mineralisation is interpreted to belong to.

The type-deposit of the gold-rich VMS systems is the well known Eskay Creek deposit in British Columbia, Canada which was mined mostly during the early 2000's and contained over 4 million ounces of gold and 180 million ounces of silver in numerous very gold and silver-rich ore shoots over a vertical extent of at least 700 metres (see ASX announcement 9 May 2017).

This press release can be found here: http://impactminerals.com.au/impact/wp-content/uploads/2017/08/531_040817-Thick-Widths-of-High-Grade-Precious-and-Base-Metal-Veins.pdf

It's still early days but Impact Minerals may be on to a possible Eskay Creek 2. Of course this will require gold to be found in the current hole (3-5 week wait) and then even higher gold grades if they are indeed on the edge of a high grade feeder system. The silver grades appear fantastic.

I found two resources that will be helpful to follow the chronology.

The first is a youtube video from February 2017 at: <https://www.youtube.com/watch?v=NpRXOILHELs>

Also, a recap through July 31st is provided here: http://impactminerals.com.au/impact/wp-content/uploads/2017/07/530_310717-June-2017-Quarterly-Report.pdf

One must remember the Aussier explorers love to issue shares so the share count is quite high at 848 million. However, with the market cap of only 19 million the shares are undervalued if they are on to Eskay Creek 2. Time will tell.

Vince Marciano
August 2017

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