

FINANCIAL STATEMENTS

**For the year ended
30 June 2024**

ABN 52 119 062 261

CONTENTS

CORPORATE DIRECTORY	2
DIRECTORS' REPORT.....	3
AUDITOR'S INDEPENDENCE DECLARATION	21
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024.....	22
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024 ...	24
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024.....	25
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	26
DIRECTORS' DECLARATION	58
INDEPENDENT AUDITOR'S REPORT.....	59

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Arron Canicais

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

9 Richardson Street
West Perth, WA 6005

Telephone: +61 (8) 6454 6666
Email: info@impactminerals.com.au
Web: www.impactminerals.com.au

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, WA 6008

SHARE REGISTRY

Automic Group
Level 5, 126 Phillip Street,
Sydney NSW 2000

Telephone: 1300 288 664 (Within Australia) or +61 2 9698 5414 (International)
Email: hello@automicgroup.com.au

Website: <https://www.automicgroup.com.au/>

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX")

Home Exchange: Perth, Western Australia
ASX Code: IPT, IPTO

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Impact Minerals Limited ("the Company") and its subsidiaries ("the Group" or "the Consolidated Entity") and its subsidiaries at the end of the year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Impact Minerals Limited during the whole of the financial year and up to the date of this report unless noted otherwise:

- 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. The Group also acquired the right to earn an 80% interest in the Lake Hope High Purity Alumina Project.

FINANCIAL RESULTS

The consolidated loss of the Group after providing for income tax for the year ended 30 June 2024 was \$6,752,567 (2023: \$5,782,028).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

Lake Hope Project

During the year a Scoping Study was completed on the Lake Hope High Purity Alumina Project located in the emerging mineral province of southwest Western Australia. Impact acquired the right to earn an 80% interest in Lake Hope in March 2023 by completing a Pre-Feasibility Study on the project. This will be completed in the 2025 financial year. Lake Hope is a dry playa lake, which contains a unique deposit of extremely fine-grained (<1 micron), very pure, high-grade aluminous salts in the top few metres of the lake bed.

The unique geological properties of the Lake Hope deposit will allow for a shallow, very low-cost, free-digging operation only a few metres deep and with offsite metallurgical processing at an established industrial site.

The proposed operation will have a small environmental footprint and low carbon emissions.

Impact aims to bring Lake Hope into production to deliver high-margin end-products into a rapidly expanding global market with a forecast average price for 4N HPA (99.99% Al₂O₃) and related products of about US\$20,000 per tonne.

DIRECTORS' REPORT

The pre-feasibility study is set to support the results of the Scoping Study which revealed the project has robust financial parameters. A Mining Lease Application was recently lodged over the West Lake. Baseline environmental and heritage surveys have been completed with no significant impediments found to mining of the lake bed. Further surveys and negotiations with the Ngadju peoples will be required before the Mining Lease can be granted. This will be the focus for work in 2025.

Arkun-Beau Project

Exploration during the year was also focussed on the Arkun-Beau Project centred about 200 km south-east of Perth and first staked in 2020. An airborne Mobile Magneto-Telluric survey, soil geochemistry surveys, field checking and rock chip sampling were completed at priority targets for Ni-Cu-PGE mineralisation. In addition, further time was spent completing Land Access Negotiations across the project area. Several MMT anomalies were identified that require follow up work.

Several large Rare Earth Element ("REE") soil geochemistry anomalies were identified, including the Hyperion and Swordfish prospects. Aircore drilling of Hyperion identified anomalous REE but sighter metallurgical testing indicated poor recoveries from strong acid leachs and thus the mineralisation was unlikely to be economic.

A large copper soil geochemistry anomaly was identified at the Caligula prospect. Associated pathfinder elements suggested a possible porphyry copper source. Impact received a grant of \$180,000 from the West Australian government's Exploration Incentive Scheme to drill Caligula and this is planned for early 2025.

Commonwealth Project

In 2024 Impact agreed to sell 75% of the Commonwealth Project to unlisted company Burrendong Resources Pty Ltd. In August 2024 the term sheet was amended creating a change to the overall valuation of the Project. The sale is subject to Burrendong listing on the ASX by December 19th 2024.

Other Projects

The Company's focus is on Lake Hope and Arkun, and accordingly little work has been done on other projects. A soil geochemistry survey was completed at Doonia, located 80 km east of Kambalda, field checking, reconnaissance work was completed on the Southern Sky Joint Ventures and ongoing interpretation of all exploration data collected for the Broken Hill project as part of the BHP Xplor programme which ended in June 2023.

FINANCIAL

As at 30 June 2024, the Group had net assets of \$14,984,501 (2023: \$17,417,108) including cash and cash equivalents of \$3,422,215 (2023: \$4,688,824).

Competent Person's Statement

The review of operations 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.

DIRECTORS' REPORT

This report's information related to the Scoping Study for the Lake Hope Project is based on information announced to the ASX on 9th November 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

- In May 2024, the Company raised \$3,000,000 (before costs) via a placement of 150,000,000 shares at an issue price of 2 cents each to fund the Lake Hope Project.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 1 July 2024, the Company issued and allotted 65,000,000 IPOT Quoted Options as outlined in the Prospectus dated 24 June 2024.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia, New South Wales and Queensland are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines, Industry Regulation and Safety (*Western Australia*), the Department of Industry (*New South Wales*) and the Department of Natural Resources, Mines and Energy (*Queensland*).

Impact Minerals Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

Greenhouse gas and energy data reporting requirements

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2024, however reporting requirements may change in the future.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Peter Unsworth B.Com (Non-Executive Chairman), Director since 28 April 2006		
Experience and expertise	Mr Unsworth, formerly a chartered accountant, has more than 40 years' experience in the corporate finance, investment, and securities industries and has a wealth of management experience with both public and private companies. A former Executive Director with a leading Western Australian stockbroking company, Mr Unsworth has been a Director of a number of public exploration and mining companies. He is a former Director and Chairman of the Western Australian Government owned Gold Corporation.	
Other current directorships	None	
Former directorships in last three years	None	
Special responsibilities	Chair of the Board	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	19,994,440
	Unlisted options – Impact Minerals Limited	25,000,000
	Performance Rights – Impact Minerals Limited	30,000,000
Michael Jones PhD, MAIG (Managing Director), Director since 31 March 2006		
Experience and expertise	<p>Dr Jones completed undergraduate and post-graduate studies in Mining and Exploration Geology at Imperial College, London. His PhD work on gold mineralisation saw him move to Western Australia in 1988 to work for Western Mining Corporation exploring for gold and nickel deposits in the Yilgarn. From 1994, he consulted to the exploration and mining industry specialising in the integration of geological field mapping and the interpretation of geochemical, geophysical and remotely sensed data for target generation.</p> <p>Dr Jones has worked on over 80 projects both in Greenfields and near mine exploration in a wide variety of mineralised terrains and was the founding Director of Lithofire Consulting Geologists in Perth, Australia. He was also the team leader during the discovery of a significant gold deposit at the Higginsville Mining Centre, near Kalgoorlie and an iron ore deposit near Newman, both in Western Australia.</p>	
Other current directorships	None	
Former directorships in last three years	None	
Special responsibilities	Managing Director	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	9,643,814
	Unlisted options – Impact Minerals Limited	50,000,000
	Performance Rights – Impact Minerals Limited	60,000,000

DIRECTORS' REPORT

Paul Ingram B.AppSc, AIMM, CP (Non-Executive Director), Director since 27 September 2009		
Experience and expertise	Mr Ingram is a geologist with extensive experience in managing major mineral exploration programs for several publicly listed companies and has been involved in the mining sector for over forty years. He has designed and implemented innovative techniques for exploration in remote areas and has managed projects in countries throughout Australia and east Asia.	
Other current directorships	None	
Former directorships in last three years	A-Cap Resources Limited (appointed June 2009, resigned November 2023) Besra Gold Inc. (appointed September 2020, resigned September 2023)	
Special responsibilities	None	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	847,098
	Unlisted options – Impact Minerals Limited	16,000,000
	Performance Rights – Impact Minerals Limited	12,000,000
Frank Bierlein PhD (Non-Executive Director), Director since 13 October 2021		
Experience and expertise	Dr Bierlein is a geologist with 30 years of experience as a consultant, researcher, lecturer and industry professional. Dr Bierlein has held exploration and generative geology management positions with QMSD Mining Co Ltd, Qatar Mining, Afmeco Australia and Areva NC, and consulted for, among others, Newmont Gold, Resolute Mining, Goldfields International, Freeport-McMoRan, and the International Atomic Energy Agency. He was a non- executive director of Gold Australia Pty Ltd from 2015 to 2019 and chaired the Advisory Board of a Luxemburg- based private equity fund between 2014 and 2021. Dr Bierlein has worked on six continents spanning multiple commodities, and over the course of his career has published and co-authored more than 130 articles in peer-reviewed scientific journals. Dr Bierlein obtained a PhD (Geology) from the University of Melbourne, is a Fellow of the Australian Institute of Geoscientists (AIG), and a member of both the Society of Economic Geologists (SEG) and the Society of Geology Applied to Mineral Deposits.	
Other current directorships	Blackstone Limited (Director since November 2021) Variscan Mines Limited (Director since October 2022)	
Former directorships in last three years	PNX Metals Limited (appointed June 2021, resigned April 2023) Firetail Resources Limited (appointed November 2021, resigned September 2023)	
Special responsibilities	None	
Interests in shares and options	Unlisted options – Impact Minerals Limited	16,000,000
	Performance Rights – Impact Minerals Limited	8,000,000

DIRECTORS' REPORT

COMPANY SECRETARY

Arron Canicais B.Com, CA, AGIA ACG (appointed 30 November 2023)

Mr Canicais is the founder of Explorer Corporate Pty Ltd, which specialises in corporate advice and compliance administration to public companies. Mr Canicais has been involved in financial reporting and corporate compliance for over 17 years. Mr Canicais is an associate member of the Institute of Chartered Accountants and Governance Institute of Australia. Mr Canicais is currently also Company Secretary and/ or CFO for various ASX listed and unlisted entities.

MEETINGS OF DIRECTORS

The number of formal meetings of the Company's Board of Directors held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Number of meetings attended	Number of meetings eligible to attend
Peter Unsworth	8	8
Michael Jones	8	8
Paul Ingram	8	8
Frank Bierlein	8	8

The directors also had a number of informal meetings with management during the year, both in person and by conference call.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Paul Ingram, being a Director retiring by rotation who, being eligible, will offer himself for re-election at the upcoming Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Impact Minerals Limited 2024 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- a) Key management personnel covered in this report
- b) Remuneration governance and the use of remuneration consultants
- c) Executive remuneration policy and framework
- d) Relationship between remuneration and the Group's performance
- e) Non-executive director remuneration policy
- f) Voting and comments made at the Company's last Annual General Meeting
- g) Details of remuneration
- h) Service agreements
- i) Details of share-based compensation and bonuses
- j) Equity instruments held by key management personnel
- k) Loans to key management personnel
- l) Other transactions with key management personnel.

DIRECTORS' REPORT

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 6 to 7 for details about each director)

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

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the Corporations Act requirements, especially with regards to related party transactions. That is, none of the Directors participate individually in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the year ended 30 June 2024.

c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Group and expensed. Options are valued using a Black-Scholes option pricing model.

d) Relationship between remuneration and the Group's performance

Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete, and the Group generates revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (e.g. changes in share price) with the exception of incentive options issued to Directors, subject to shareholder approval.

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth in the longer term. The Board believes participation in the Company's Incentive Option Scheme motivates key management and executives with the long-term interests of shareholders.

e) Non-Executive Director remuneration policy

The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$250,000 as approved by shareholders at the Company's 2016 Annual General Meeting ("AGM") held on 9 November 2016.

Fees for Non-Executive Directors are not linked to the performance of the Group. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) Voting and comments made at the Company's last Annual General Meeting

Impact Minerals Limited received more than 98% of "yes" votes on its Remuneration Report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

g) Details of remuneration

The following table show details of the remuneration received by the Group's key management personnel for the current and previous financial year.

Name	Short-term employment benefits		Post-employment benefits	Share-based payments		Total \$	% of remuneration to total from shares and options %
	Salary & fees \$	Non-monetary benefit \$	Super-annuation \$	Shares \$	Options/ Performance Rights \$		
2024							
<i>Directors</i>							
P Unsworth	59,361	-	6,530	-	62,009 ¹	127,900	48.5
M Jones	278,425	-	-	-	124,018 ¹	402,443	30.8
P Ingram	32,877	-	3,616	-	24,804 ¹	61,297	40.5
F Bierlein	32,877	-	3,616	-	16,536 ¹	53,029	31.2
TOTALS	403,540	-	13,762	-	227,367	644,669	-
2023							
<i>Directors</i>							
P Unsworth	59,361	-	6,233	-	68,400	133,994	51.0
M Jones	246,880	-	-	-	142,500	389,380	36.6
P Ingram	32,877	-	3,452	-	45,600	81,929	55.7
F Bierlein ⁽²⁾	32,877	-	3,452	-	45,600	81,929	55.7
TOTALS	371,995	-	13,137	-	302,100	687,232	-

(1) At 30 June 2024 none of the Performance Rights issued to Directors have vested.

(2) Appointed 13 October 2021.

No components of remuneration are linked to the performance of the Group.

h) Service agreements

M Jones, Managing Director

Dr Jones is remunerated pursuant to an ongoing Consultancy Services Agreement. Dr Jones was paid fees of \$278,425 for the year ended 30 June 2024. The notice period (other than for gross misconduct) is three months.

DIRECTORS' REPORT

i) Details of share-based compensation and bonuses

Options and Performance Rights

Options and Performance Rights over ordinary shares in Impact Minerals Limited are granted under the Employee Securities Incentive Plan ("Incentive Plan"). Participation in the Incentive Plan and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the Incentive Plan or to receive any guaranteed benefits. Any options or Performance Rights issued to Directors of the Company are subject to shareholder approval. Performance Rights issued to Directors in the 2024 financial year were approved by shareholders at the 2023 Annual General Meeting. Options issued to Directors in the 2023 financial year were approved by shareholders at the 2022 Annual General Meeting.

Further information on the fair value of share options and assumptions is set out in Note 26 to the financial statements.

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year and the previous financial year by key management personnel of the Group, including their close family members and entities related to them.

Options

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Vested during the year
2024								
<i>Directors</i>								
P Unsworth	45,000,171	-	-	(20,000,171)	25,000,000	-	25,000,000	-
M Jones	86,964,380	-	-	(36,964,380)	50,000,000	-	50,000,000	-
P Ingram	26,072,584	-	-	(10,072,584)	16,000,000	-	16,000,000	-
F Bierlein	16,000,000	-	-	-	16,000,000	-	16,000,000	-
TOTALS	174,037,135	-	-	(67,037,135)	107,000,000	-	107,000,000	-
2023								
<i>Directors</i>								
P Unsworth	37,000,171	12,000,000	-	(4,000,000)	45,000,171	-	45,000,171	-
M Jones	71,964,380	25,000,000	-	(10,000,000)	86,964,380	-	86,964,380	-
P Ingram	20,072,584	8,000,000	-	(2,000,000)	26,072,584	-	26,072,584	-
F Bierlein	8,000,000	8,000,000	-	-	16,000,000	-	16,000,000	-
TOTALS	137,037,135	53,000,000	-	(16,000,000)	174,037,135	-	174,037,135	-

During the year, no ordinary shares in the Company were issued to Directors as a result of the exercise of remuneration options.

DIRECTORS' REPORT

Performance Rights

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Vested during the year
2024								
<i>Directors</i>								
P Unsworth	-	30,000,000	-	-	30,000,000	-	-	-
M Jones	-	60,000,000	-	-	60,000,000	-	-	-
P Ingram	-	12,000,000	-	-	12,000,000	-	-	-
F Bierlein	-	8,000,000	-	-	8,000,000	-	-	-
TOTALS	-	110,000,000	-	-	110,000,000	-	-	-
2023								
<i>Directors</i>								
P Unsworth	-	-	-	-	-	-	-	-
M Jones	-	-	-	-	-	-	-	-
P Ingram	-	-	-	-	-	-	-	-
F Bierlein	-	-	-	-	-	-	-	-
TOTALS	-	-	-	-	-	-	-	-

During the year, no ordinary shares in the Company were issued to Directors as a result of the exercise of remuneration performance rights.

Shareholdings

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June
2024					
<i>Directors</i>					
P Unsworth	19,994,440	-	-	-	19,994,440
M Jones	9,643,814	-	-	-	9,643,814
P Ingram	847,098	-	-	-	847,098
F Bierlein	-	-	-	-	-
TOTALS	30,485,352	-	-	-	30,485,352
2023					
<i>Directors</i>					
P Unsworth	19,994,440	-	-	-	19,994,440
M Jones	9,643,814	-	-	-	9,643,814
P Ingram	725,850	-	-	121,248	847,098
F Bierlein ⁽¹⁾	-	-	-	-	-
TOTALS	30,364,104	-	-	121,248	30,485,352

(1) Appointed 13 October 2021.

The assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date, (and the amount included in the remuneration tables above). Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

DIRECTORS' REPORT

k) Loans to key management personnel

There were no loans to individuals or members of key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option or performance right at the date of this report are as follows:

Date options issued	Expiry date	Exercise price cents	Number under option	Number under performance right
30 Nov 2021	31 Oct 2025	2.17	83,000,000	-
21 Apr 2022	31 Oct 2025	2.4	4,000,000	-
22 Apr 2022	22 April 2025	2.4	3,000,000	-
24 Nov 2022	30 Nov 2025	1.25	53,000,000	-
7 Dec 2022	30 Nov 2025	1.25	13,000,000	-
17 Aug 2023	1 Dec 2025	1.125	30,000,000	-
19 Dec 2023	18 Dec 2026	Nil	-	45,666,664
19 Dec 2023	18 Dec 2027	Nil	-	45,666,667
19 Dec 2023	18 Dec 2027	Nil	-	45,666,669
1 Jul 2024 (Listed)	1 Oct 2025	2.7	65,000,000	-
TOTAL			251,000,000	137,000,000

No option or performance right holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

44,729,829 shares issued on the exercise of options during the year and up to the date of this report.

CORPORATE GOVERNANCE STATEMENT

The Company's 2024 Corporate Governance Statement will be released as a separate document when the Annual Report is released and will be located on the Company's website at:

<https://impactminerals.com.au/aboutus>

RISK MANAGEMENT

The Board of Directors regularly review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Group include:

DIRECTORS' REPORT

Exploration and development

The future value of the Group will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Group. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Group is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Economic Conditions

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Group's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel

The Group's success mainly depends upon retaining key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Group's activities. There is no assurance that engagement contracts for members of the senior management team will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them, which may not be possible if suitable candidates are unavailable.

Future funding risk

Continued exploration and evaluation depend on the Company's securing future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company must undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

Unforeseen expenditure risk

Exploration, evaluation, and development expenditures may increase significantly above projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditures are subsequently incurred, they may adversely affect the Group's expenditure proposals and proposed business plans.

Environmental, weather & climate change

The highest priority climate-related risks include reduced water availability, extreme weather events,

DIRECTORS' REPORT

changes to legislation and regulation, reputational risk, and technological and market changes. Exploration and mining activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products from mineral exploration and production. These give rise to potentially substantial costs for environmental rehabilitation, damage control, and losses. Delays in obtaining approvals for additional remediation costs could affect the profitable development of resources.

Cyber Security and IT

The Group relies on IT infrastructure and systems and core technologies' efficient and uninterrupted operation. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider failure or human error.

Tenure Risk

The Company's Tenements are subject to the applicable mining acts and regulations in Western Australia and New South Wales, under which mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the Company's operations, financial position or performance. There can be no guarantee that a renewal will be approved. If the Company cannot secure a renewal for these Tenements this may impact the Company's exploration plans for the Projects and adversely impact the Company or the value of its Shares. Before any development on any of its properties, the Company must receive licenses from appropriate governmental authorities.

There is no certainty that the Group will hold all licenses necessary to develop or continue operating at any particular property. The Company considers the likelihood of tenure forfeiture to be low, given the laws and regulations governing exploration in Western Australia and New South Wales and the ongoing expenditures being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the Company's control could be significant.

Similarly, the rights to mining tenure carry with them various obligations that the holder is required to comply with to ensure the continued good standing of the license, specifically obligations regarding minimum expenditure levels and responsibilities in respect of the environment and safety.

Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a licence or licences. There is no guarantee that current or future exploration applications or existing license renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits. The Tenements may be relinquished either in total or in part even though a viable mineral deposit may be present, if:

- exploration or production programs yield negative results;
- insufficient funding is available;
- environmental offsets are required;

DIRECTORS' REPORT

- the Company considers such a tenement not to meet the risk/reward or other criteria of the Company;
- its relative perceived prospectivity is less than that of other tenements in the Company's portfolio, which take a higher priority, or various other reasons.

Further, a number of the Tenements are pending applications. There is a risk that the applications for Tenements may not be granted in their entirety or only granted on conditions unacceptable to the Company

Nature of Mineral Exploration:

Mineral exploration and development is considered a high-risk undertaking. There is no guarantee that exploration of the Projects will result in discovering an economically viable resource. Even if a viable resource is discovered, there is no guarantee that the resource can be economically exploited. Exploration of the Company's Projects may be unsuccessful, resulting in a reduction of the value of those Projects, diminution in the cash reserves of the Company and possible relinquishment of such Projects.

The proposed exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice which may materially and adversely affect the Company's ability to complete the exploration programs as planned.

Operational Risk:

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Even though the Directors have between them significant mineral exploration and operational experience, no assurance can be given that the Company will achieve commercial viability through the successful exploration and mining of its Tenements. Until the Company is able to realise value from its Projects, it likely to incur ongoing operating losses.

Private Land, Reserve Land and Land Access Risk:

The Company's interests in the Tenements are subject to Commonwealth and applicable state legislation and cannot be guaranteed. The Company may be required to obtain the consent of and/or compensate holders of third-party interests overlaying areas within the Tenements. The Tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration activities including Crown land, proposed Crown reserves, pastoral leases and areas covered by native title determinations. The Company's projects fall principally on private agricultural land intersected by multiple road reserves. Should substantial discovery be made, however, the Company will need to obtain the consent of any relevant private landowners and occupiers. This typically involves negotiating land access agreements with those parties, which will likely require the Company to

DIRECTORS' REPORT

compensate them for any exploration activities undertaken. In Western Australia, once this consent is obtained, the Company can apply to the Minister for Mines and Petroleum to obtain the right to access the top 30 metres of its exploration licences that encroach on private land. Any delays regarding conflicting third-party rights, obtaining necessary consents, or compensation obligations may adversely impact the Company's ability to conduct exploration activities within the affected areas.

Project Delays and Cost Overruns:

The Company's ability to successfully explore, develop, and potentially commercialise its Projects may be affected by factors including project delays and cost overruns. If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans, costing more than expected, or taking longer to realise than expected.

Native Title and Aboriginal Heritage:

The Company's tenements or any tenements that the Company may acquire an interest in in the future, may be areas over which legitimate common law Native Title rights may exist. If such Native Title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant native title holders) or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.

As at the date of this report, a number of the Tenements are subject to Native Title determinations and others are subject to Native Title claims. The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. In addition, determined native title holders may seek compensation under the Native Title Act for the impacts of acts affecting native title rights and interests after the commencement of the Racial Discrimination Act 1975 (Cth) on 31 October 1975.

The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant Tenements. Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force).

At this stage, the Company cannot quantify any potential compensation payments, if any. In addition, the Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work before the commencement of operations. The Company is aware of various areas of Indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local Indigenous communities and the broader community, which affect several Tenements. It is also likely that additional Aboriginal heritage sites may be identified on the land, the subject of the Tenements. These Aboriginal heritage sites require the Company to comply with all relevant Aboriginal Heritage Acts regarding any ground-disturbing activities and any applicable agreements that may be in place with the relevant Traditional Owners. The Company is a party to a standard form heritage agreement with the determined Native Title holders covering most of the Tenements. Before commencing significant ground-disturbing

DIRECTORS' REPORT

activities, including exploration, the Company will need to consult with the relevant local Traditional Owners regarding the likely impact the proposed activities may have on such areas. There is no guarantee that the Company will be able to deal with Aboriginal heritage issues in a satisfactory or timely manner and accordingly, such issues may increase the proposed periods for the conduct of the Company's proposed activities, lead to increased costs for such activities (in obtaining the required consents and/or approvals) and also limit the Company's ability to conduct its proposed activities on the relevant Tenement.

The Aboriginal Cultural Heritage Act 2021 (WA) (ACH Act), proposed to strengthen the Western Australian Government's authority to regulate land use (including mining activities) concerning areas and objects of cultural significance to Aboriginal and Torres Strait Islander people under their traditional laws and customs, was passed by the Parliament of Western Australia in December 2021 and took effect on 1 July 2023. However, on 8 August 2023 the Western Australian Government confirmed its intention to repeal the ACH Act and revert back to the previous Aboriginal Heritage Act 1972 (WA) (AH Act) (with limited amendments), with the Aboriginal Heritage Legislation Amendment and Repeal Bill 2023 (WA) (Repeal Bill) which was formally repealed on 15 November 2023.

Commodity prices:

The Company's future prospects and the share price will be influenced by the prices obtained for the commodities produced and targeted in the Company's development and exploration programs. Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production, geopolitical factors (including trade tensions), hostilities and general global economic conditions. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on Company's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.

Occupational health and safety:

Exploration and production activities may expose the Company's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid an insurance premium to insure the Directors and Officers of the consolidated entity against any liability incurred as a Director or Officer to the extent

DIRECTORS' REPORT

permitted by the Corporations Act 2001. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

The Group has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (Hall Chadwick WA Audit Pty Ltd) for audit and non-audit services provided during the year are set out in Note 21. During the year ended 30 June 2024, no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2023: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.



Peter Unsworth

Chairman

Perth, 27 September 2024

To the Board of Directors

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

As lead audit Director for the audit of the financial statements of Impact Minerals Limited for the financial year ended 30 June 2024, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated at Perth this 27th day of September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Notes	CONSOLIDATED	
		2024 \$	2023 \$
Revenue from operating activities	3(a)	115,899	76,233
Other income	3(a)	444,794	1,477,260
Corporate and administration expense		(1,516,916)	(1,005,522)
Depreciation expense		(108,543)	(26,823)
Employee benefits expense	3(b)	(719,775)	(775,381)
Impairment of exploration expenditure	11	(3,802,892)	(5,473,236)
Impairment of assets held for sale	9	(1,091,007)	-
Occupancy expense		(30,145)	(54,559)
Finance costs		(43,982)	-
Loss before tax from continuing operations		(6,752,567)	(5,782,028)
Income tax expense	5	-	-
Loss for the year from continuing operations		(6,752,567)	(5,782,028)
Other comprehensive income (OCI)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets through OCI	10	(47,500)	(96,250)
Other comprehensive income for the year (net of tax)		(47,500)	(96,250)
Total comprehensive loss for the year attributable to the owners of Impact Minerals Limited		(6,800,067)	(5,878,278)
		Cents per share	Cents per share
Loss per share attributable to the owners of Impact Minerals Limited			
Basic and diluted loss per share	20	(0.24)	(0.23)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		CONSOLIDATED	
		2024	2023
		\$	\$
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,422,215	4,688,824
Trade and other receivables	7	89,463	41,915
Other current assets	8	90,413	61,561
Assets held for sale	9	1,782,037	3,277,513
Total Current Assets		5,384,128	8,069,813
Non-Current Assets			
Financial assets at fair value through other comprehensive income	10	78,750	126,250
Property, plant and equipment		22,783	30,506
Exploration expenditure	11	9,813,877	9,568,039
Right of Use Assets	12	352,171	442,087
Other non-current assets	13	234,055	234,055
Total Non-Current Assets		10,501,636	10,400,937
TOTAL ASSETS		15,885,764	18,470,750
LIABILITIES			
Current Liabilities			
Trade and other payables	14	350,285	452,065
Short-term provisions	15	149,476	151,973
Lease Liabilities	16	78,377	48,102
Total Current Liabilities		578,138	652,140
Non-Current Liabilities			
Lease Liabilities	16	323,125	401,502
Total Non-Current Liabilities		323,125	401,502
TOTAL LIABILITIES		901,263	1,053,642
NET ASSETS		14,984,501	17,417,108
EQUITY			
Issued capital	17	66,432,353	62,742,519
Option reserve	18 a)	1,656,930	1,711,433
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Financial asset reserve	18 b)	(71,250)	(23,750)
Accumulated losses	19	(51,872,463)	(45,852,025)
TOTAL EQUITY		14,984,501	17,417,108

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital \$	Option reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
At 1 July 2022	58,426,867	1,406,016	72,500	(1,161,069)	(40,187,297)	18,557,017
Total comprehensive loss for the year	-	-	-	-	(5,782,028)	(5,782,028)
Other comprehensive income	-	-	(96,250)	-	-	(96,250)
Total comprehensive loss for the year (net of tax)	-	-	(96,250)	-	(5,782,028)	(5,878,278)
Transactions with owners in their capacity as owners						
Shares issued	4,360,000	-	-	-	-	4,360,000
Share issue costs	(44,348)	-	-	-	-	(44,348)
Fair value of options issued	-	422,717	-	-	-	422,717
Fair value of options expired	-	(117,300)	-	-	117,300	-
At 30 June 2023	62,742,519	1,711,433	(23,750)	(1,161,069)	(45,852,025)	17,417,108
At 1 July 2023	62,742,519	1,711,433	(23,750)	(1,161,069)	(45,852,025)	17,417,108
Total comprehensive loss for the year	-	-	-	-	(6,752,567)	(6,752,567)
Other comprehensive income	-	-	(47,500)	-	-	(47,500)
Total comprehensive loss for the year (net of tax)	-	-	(47,500)	-	(6,752,567)	(6,800,067)
Transactions with owners in their capacity as owners						
Shares issued	4,007,396	-	-	-	-	4,007,396
Share issue costs	(317,562)	-	-	-	-	(317,562)
Fair value of options issued	-	677,626	-	-	-	677,626
Fair value of options expired	-	(732,129)	-	-	732,129	-
At 30 June 2024	66,432,353	1,656,930	(71,250)	(1,161,069)	(51,872,463)	14,984,501

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

		CONSOLIDATED	
		2024	2023
		\$	\$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,926,637)	(1,405,512)
Interest received		116,199	69,135
Interest expense		(36,729)	-
Other income received		50,000	724,663
Research and development tax rebate		394,794	752,597
NET CASH FLOWS FROM / (USED) IN OPERATING ACTIVITIES	27	(1,402,373)	140,883
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,904)	(22,102)
Payments for exploration activities		(3,324,757)	(3,251,698)
Proceeds from disposal of tenements		-	50,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(3,335,661)	(3,223,800)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,000,000	4,000,000
Share issue costs		(207,800)	(44,348)
Proceeds from issue of options		724,996	-
Payments for Lease Liabilities		(45,771)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,471,425	3,955,652
Net increase/(decrease) in cash and cash equivalents		(1,266,609)	872,735
Cash and cash equivalents at beginning of the year		4,688,824	3,816,089
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	3,422,215	4,688,824

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Impact Minerals Limited for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 27 September 2024.

Impact Minerals Limited is a for-profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The nature of the operation and principal activities of the consolidated entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods presented in the consolidated financial statements and by all entities in the consolidated entity.

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of Impact Minerals Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New and amended accounting standards and interpretations adopted by the Group

No new standards or interpretations relevant to the operations of the Group have come into effect for the reporting period.

Accounting Standards that are mandatorily effective for the current reporting year

There are no new or amended accounting standards and interpretations relevant to the operations of the Group that come into effect in subsequent reporting periods at this time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies

a) Basis of measurement

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, except where stated.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where appropriate.

b) Going concern

The 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 incurred a loss for the year of \$6,752,567 (2023: loss of \$5,782,028); included in this loss were impairment expenses of exploration expenditure for \$3,802,892 (2023: \$5,473,236). During the year the Consolidated Group generated net cash outflows from operating activities of \$1,402,373 (2023: inflow of \$140,883). As at 30 June 2024 the Consolidated Group had a cash balance of \$3,422,215 (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.

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.

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

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.

c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for business combinations by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, and the Consolidated Statement of Changes in Equity respectively.

d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Impact Minerals Limited.

f) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss as incurred over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group as lessee are classified as finance leases. At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Group separately recognises the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

h) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

Other long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

The Group provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

j) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets designated at fair value through OCI (equity instruments)

This is the category most relevant to the Group. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: REVENUE AND EXPENSES

a) Revenue from operating activities

	CONSOLIDATED	
	2024	2023
	\$	\$
Interest income	115,899	76,233
Gain on sale of tenements	-	-
Research and development tax rebate	394,794	752,597
BHP Xplor payments	-	719,663
Other income	50,000	5,000
Total revenue from operating activities	560,693	1,553,493

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest income is recognised as it accrues.

Amounts received or receivable from the Australian Tax Office (ATO) in respect of the Research and Development Tax Rebate (R&D Rebate) are recognised in Other Income for the year in which the claim is lodged with the ATO. Management assesses its research and development activities and expenditures to determine if these are likely to eligible under the R&D Rebate.

b) Employee benefits expense

	CONSOLIDATED	
	2024	2023
	\$	\$
Wages, salaries and other remuneration expenses	212,400	199,689
Directors' fees	125,114	125,114
Superannuation fund contributions	32,996	27,861
Share-based payment expense (Note 26)	349,265	422,717
Total employee benefits expense	719,775	775,381

NOTE 4: SEGMENT INFORMATION

The Group operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Impact Minerals Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within 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 in allocating resources and have concluded at this time that there are no separately identifiable segments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: INCOME TAX

	CONSOLIDATED	
	2024 \$	2023 \$
a) Major components of income tax expense are as follows:		
Current income tax expense/(benefit)	-	-
Deferred income tax expense/(benefit)	-	-
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-
b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from ordinary activities before income tax expense	(6,752,567)	(5,782,028)
Prima facie tax benefit on profit from ordinary activities before income tax at 25% (2023: 25%)	(1,688,142)	(1,445,507)
<i>Tax effect of permanent differences:</i>		
- Share-based expense	87,316	105,679
- Non-deductible expenses	20,163	1,490
- Government grant received	(98,698)	(188,149)
- Other deductible expenses	-	(5,000)
- Tax losses not recognised	1,679,361	1,531,487
Income tax expense/(benefit) on pre-tax profit	-	-
c) Deferred tax assets and (liabilities) are attributable to the following:		
Trade and other receivables	(1,700)	(1,775)
Prepayments	(21,216)	-
Plant and equipment	(3,994)	(7,626)
Right of Use Assets	(88,043)	(110,522)
Exploration Assets	(1,955,756)	(2,377,043)
Capital raising costs	134,008	139,718
Accrued expenses	5,207	7,388
Provision for employee entitlements	37,369	37,993
Right of Use Liabilities	100,376	112,401
Other		
Tax losses	1,793,749	2,199,466
	-	-
d) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items as the Directors do not believe it is appropriate to regard realisation of future tax benefits as probable:		
- Tax losses	9,514,660	8,021,964
- Capital losses	444,481	444,481
	9,959,141	8,466,445

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: INCOME TAX (Continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company and its wholly-owned Australian controlled entities have formed a tax consolidated group. The head entity of the tax consolidated group is Impact Minerals Limited.

No deferred tax asset has been recognised in the Consolidated Statement of Financial Position in respect of the amount of either these losses or other deferred tax expenses. Should the Company not satisfy the Continuity of Ownership Test, the Company will be able to utilise the losses to the extent that it satisfies the Same Business Test.

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2024	2023
	\$	\$
Cash at bank and on hand	1,366,965	2,633,574
Short-term deposits	2,055,250	2,055,250
	3,422,215	4,688,824

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less.

The weighted average interest rate for the year was 4.86% (2023: 1.66%).

The Group's exposure to interest rate risk is set out in Note 25. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2024	2023
	\$	\$
Current Debtors	37,034	1,004
GST	41,857	33,982
Other	10,572	6,929
	89,463	41,915

Trade receivables are normally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that these amounts will be received when due. The Group's financial risk management objectives and policies are set out in Note 25.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

NOTE 8: OTHER CURRENT ASSETS

	CONSOLIDATED	
	2024	2023
	\$	\$
Prepayments	84,863	29,312
Deposits	5,550	32,249
	90,413	61,561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: ASSETS HELD FOR SALE

	CONSOLIDATED	
	2024 \$	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, which lapsed in August 2024 however in September 2024 PCFT has agreed to purchase the shares in Blackridge Exploration Pty Ltd on the same terms as the expired Option which will see PCFT 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 2024 the Blackridge tenements were held at their fair value (\$342,942).

In August 2022 the Company announced that it had agreed to implement a Share Purchase Agreement ("SPA") with Burrendong Minerals Limited ("Burrendong") whereby Burrendong would acquire 75% of the shares in Impact's wholly owned subsidiary Endeavour Minerals Pty Ltd ("Endeavour"). The principal assets of Endeavour are the Commonwealth Project tenements (EL8504, EL8505, EL5874, EL8212 and EL8252). Burrendong intends to list on the ASX. At 30 June 2024 the Company's 75% interest in the Commonwealth tenements was held at their fair value (\$3,140,000).

In August 2023 the Company agreed revised terms for the sale of up to 75% of its interest in the Commonwealth Project to Burrendong (ASX:IPT 16th August 2024). The revised terms value 100% of the Commonwealth Project at \$3,912,762. Therefore, at 30 June 2024, the Company's 75% interest in the Commonwealth tenements was held at their fair value of \$2,934,571, a write down to the amount held in assets held for sale of \$205,429.

In February 2024 the Company executed a shareholders sale agreement that subject to final Conditions Precedent, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
	2024 \$	2023 \$
Opening balance	126,250	222,500
Additions	-	-
Change in fair value (Note 18(b))	(47,500)	(96,250)
Closing balance	78,750	126,250

During the reporting period no changes in the holdings of financial assets at fair value were made. The Group holds 250,000 shares in Orange Minerals NL (ASX:OMX) and 1,000,000 shares in Australasian Metals Ltd (ASX:A8G).

Financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group classifies its financial assets as either financial assets at fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments, the classification depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVPL or FVOCI.

Financial assets at FVOCI

For assets measured at FVOCI, gains and losses will be recorded in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group has elected to measure its listed equities at FVOCI.

Assets in this category are subsequently measured at fair value. The fair values of quoted investments are based on current bid prices in an active market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2024 \$	2023 \$
Opening balance	9,568,039	11,195,288
Exploration expenditure incurred during the year	3,383,261	3,640,557
Commonwealth Project	404,469	-
Lake Hope Project acquisition costs	261,000	-
Impairment of Hopetoun Project	-	(994,601)
Impairment of Broken Hill Project	(1,570,179)	(4,000,000)
Impairment of Doonia Project	(891,129)	-
Impairment of Dinningup Project	(601,344)	-
Impairment of other Projects	(740,240)	(273,205)
Closing balance	9,813,877	9,568,039

The Hopetoun Project was a joint venture with a private company in which Impact was earning an 80% interest. A significant drill programme was completed to test priority targets in early to mid-2023 as part of an option to proceed to a full joint venture agreement. No significant results were returned from the programme and Impact elected not to proceed to the full joint venture.

IGO Limited (ASX:IGO) withdrew from the joint venture at Broken Hill following poor drill results and having covered a significant part of the area prospective for nickel-copper-PGM mineralisation with a ground electromagnetic survey. The joint venture area comprised a small portion of the total Broken Hill project area. Accordingly, a write down of \$1.57 Million was booked against the project.

Impact has three joint ventures in Western Australia with Southern Sky Energy Limited over EL70/5852, EL59/2620, EL52/3967 and EL52/3985. Expenditure by Impact was below the statutory required amounts during the last reporting year for all three projects. The Department of Energy, Mines, Industry and Safety (DEMIRS) may not renew these tenements, which may put Impact in default of the joint venture agreement with Southern Sky Energy Limited. As at 30 June 2024 the capitalised exploration balance for these certain tenements total \$666,394.

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- ii) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: EXPLORATION AND EVALUATION (Continued)

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, an assessment is performed for each area of interest to which the exploration and evaluation expenditure is attributed. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

NOTE 12: RIGHT OF USE ASSETS

Carrying value

	CONSOLIDATED	
	2024	2023
	\$	\$
Office lease at cost	449,604	449,604
Accumulated depreciation	(97,433)	(7,517)
Carrying value at end of financial year	352,171	442,087

Reconciliation

	CONSOLIDATED	
	2024	2023
	\$	\$
Opening balance	442,087	-
Additions	-	449,604
Depreciation expense	(89,916)	(7,517)
Closing balance	352,171	442,087

NOTE 13: OTHER NON-CURRENT ASSETS

	CONSOLIDATED	
	2024	2023
	\$	\$
Deposits paid	234,055	234,055
	234,055	234,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2024	2023
	\$	\$
Trade creditors	294,319	324,227
Other payables and accruals	55,966	127,838
	350,285	452,065

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. The Group's financial risk management objectives and policies are set out in Note 25. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 15: PROVISIONS

	CONSOLIDATED	
	2024	2023
	\$	\$
Short-term		
Employee entitlements	149,476	151,973
	149,476	151,973

NOTE 16: LEASE LIABILITIES

	CONSOLIDATED	
	2024	2023
	\$	\$
Current		
Lease liabilities	78,377	48,102
	78,377	48,102
Non-current		
Lease liabilities	323,125	401,502
	323,125	401,502
Total lease liabilities	401,502	449,604

Payments due under the lease are:

	CONSOLIDATED	
	2024	2023
	\$	\$
Due within 1 year	78,377	48,102
Due within 1-2 years	91,820	78,377
> 2 years	231,305	323,125
Total payments	401,502	449,604

During the year the Company entered into a lease for its registered offices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: CONTRIBUTED EQUITY

a) Share capital

Ordinary shares fully paid

CONSOLIDATED	
2024	2023
\$	\$
66,432,353	62,742,520

b) Movements in ordinary shares on issue

Balance at 30 June 2022

Share issued during the year:

- Placement ^(a)
- Playa One Tranche 1 share issue ^(b)
- Transaction costs

Balance at 30 June 2023

Share issued during the year:

- Playa One Tranche 1 share issue ^(c)
- IPTOB option conversion
- Employee staff cashless option conversion
- Placement ^(d)
- IPTOB option conversion
- IPTOB option conversion
- Transaction costs

Balance at 30 June 2024

CONSOLIDATED	
Number	\$
2,481,370,556	58,426,867
333,333,333	4,000,000
30,000,000	360,000
-	(44,347)
2,844,703,889	62,742,520
20,000,000	240,000
9,655,621	193,112
8,480,017	42,400
150,000,000	3,000,000
7,983,918	159,678
18,610,273	372,205
-	(317,562)
3,059,433,718	66,432,353

- (a) In May 2023, the Company raised \$4,000,000 (before costs) via a placement of 333,333,333 new shares at an issue price of 1.2 cents each.
- (b) In May 2023 the Company issued 30,000,000 new shares as part consideration for the exercise of the option for the Lake Hope Project.
- (c) In August 2023 the Company issued 20,000,000 new shares as the Company exercised its option to earn an 80% interest in the Lake Hope Project.
- (d) In May 2024, the Company raised \$3,000,000 (before costs) via a placement of 150,000,000 new shares at an issue price of 2 cents each.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: CONTRIBUTED EQUITY (Continued)

c) Movements in options on issue

	CONSOLIDATED	
	2024 No	2023 No
Balance at beginning of the financial year	426,254,389	365,754,389
Options granted - unlisted	30,000,000	85,000,000
Options expired	(215,004,577)	(24,500,000)
Options exercised	(44,729,829)	-
Options cancelled	(10,519,983)	-
Balance at the end of the financial year	186,000,000	426,254,389

Refer to Note 26 for details of share-based payments.

d) Movements in performance rights on issue

	CONSOLIDATED	
	2024 No	2023 No
Balance at beginning of the financial year	-	-
Performance rights granted - unlisted	137,000,000	-
Balance at the end of the financial year	137,000,000	-

Refer to Note 26 for details of share-based payments.

NOTE 18: RESERVES

a) Option reserve

	CONSOLIDATED	
	2024 \$	2023 \$
Opening balance	1,711,433	1,406,016
Fair value of options issued ^(a)	394,452	422,717
Fair value of performance rights issued ^(b)	283,175	-
Transfer to retained earnings upon expiry/lapse of options	(732,129)	(117,300)
Balance at the end of the financial year	1,656,930	1,711,433

(a) During the year 30,000,000 options were issued as part consideration for the exercise of the option for the Lake Hope Project. The fair value of options is determined at grant date and is expensed over the vesting period for those options.

(b) During the year 137,000,000 Director and employee performance rights were issued. The fair value of Director and employee options is determined at grant date and is expensed over the vesting period for those performance rights.

The options reserve is used to recognise the fair value of options issued to Directors and employees. The details of share-based payments made during the reporting period are shown at Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Financial asset reserve

	CONSOLIDATED	
	2024 \$	2023 \$
Opening balance	(23,750)	72,500
Financial assets at fair value through other comprehensive income (Note 10)	(47,500)	(96,250)
Closing balance	(71,250)	(23,750)

NOTE 19: ACCUMULATED LOSSES

	CONSOLIDATED	
	2024 \$	2023 \$
Balance at the beginning of the financial year	(45,852,025)	(40,187,297)
Net loss attributable to members	(6,752,567)	(5,782,028)
Transfer from financial asset reserve	-	-
Transfer from share option reserve upon lapse of options	732,129	117,300
Balance at the end of the financial year	(51,872,463)	(45,852,025)

NOTE 20: LOSS PER SHARE

	2024 \$	2023 \$
Basic and diluted loss per share	(0.24)	(0.23)

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2024 \$	2023 \$
Profits/(losses) used in calculating basic and diluted loss per share	(6,752,567)	(5,782,028)

	2024 Number	2023 Number
Weighted average number of ordinary shares used in calculating basic loss per share	2,881,554,271	2,844,703,889

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Group, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 21: AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2024 \$	2023 \$
Audit services		
Hall Chadwick WA Audit Pty Ltd		
- Audit and review of the financial reports	48,657	35,000
Total remuneration	48,657	35,000

NOTE 22: CONTINGENT ASSETS AND LIABILITIES

Contingent assets

The Group has contingent assets in respect of:

Future bonus and royalty payments

During the 2022 financial year the completed the sale of tenement EL8632 and the northern part of block EL8505 in the Company's Lachlan Fold Belt portfolio to Orange Minerals Pty Ltd (this company ultimately listed as Orange Minerals NL ASX:OMX) ("Orange"). Impact retains a 1% Net Smelter Royalty over the project.

Contingent liabilities

The Group has contingent liabilities in respect of:

Future royalty payments

In March 2016, Impact Minerals Limited completed the acquisition of tenement EL7390 from Golden Cross Resources Limited ("Golden Cross") for \$60,000 cash. Golden Cross retains a royalty equal to 1% of gross revenue on any minerals recovered from the tenement. At its election, Impact has the right to buy back the royalty for \$1.5 million cash at any time up to a decision to mine, or leave the royalty uncapped during production.

During the 2021 financial year the Company completed the acquisition of five tenements in the Yilgarn Craton of Western Australia ("Arkun project") from Milford Resources Pty Ltd ("Milford"). Milford retains a 1% net smelter royalty on any minerals recovered.

During the 2021 financial year the Company acquired tenement EL70/5424 from Beau Resources Pty Ltd ("Beau"). Beau retains a 2% gross revenue royalty on any minerals recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 July 2024, the Company issued and allotted 65,000,000 IPOT Quoted Options as outlined in the Prospectus dated 24 June 2024.

There have been no other events subsequent to the reporting date which are sufficiently material to warrant disclosure.

NOTE 24: 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 balance date, total exploration expenditure commitments on granted tenements held by the Group that have not been provided for in the financial statements and which cover the following 12-month period amount to \$2,846,750 (2023: \$3,088,445). For the period greater than 12 months to five years, commitments amount to \$3,747,236 (2023: \$7,158,617). These obligations are also subject to variations by farm-out arrangements, relinquishment or sale of the relevant tenements.

NOTE 25: FINANCIAL RISK MANAGEMENT

Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Commodity risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The directors endeavour to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board oversees how management monitors the risks faced by the Group.

The Group's principal financial instruments are cash, short-term deposits, receivables and payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest-bearing financial assets and liabilities that the Group uses.

Interest-bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Floating interest rate \$	Fixed interest rate maturing in			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Consolidated – 2024						
Financial assets						
Cash and cash equivalents	-	2,055,250	-	-	1,366,965	3,422,215
Trade and other receivables	-	-	-	-	89,463	89,463
	-	2,055,250	-	-	2,675,489	4,730,739
Weighted average interest rate	-	4.91%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	350,285	350,285
Lease liability	-	78,337	323,125	-	-	401,462
	-	78,337	323,125	-	350,285	751,747
Weighted average interest rate	-	10.00%	10.00%	-	-	-
Consolidated – 2023						
Financial assets						
Cash and cash equivalents	-	2,055,250	-	-	2,633,574	4,688,824
Trade and other receivables	-	-	-	-	41,915	41,915
	-	2,055,250	-	-	2,675,489	4,730,739
Weighted average interest rate	-	2.94%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	452,065	452,065
Lease liability	-	48,102	401,502	-	-	449,604
	-	48,102	401,502	-	452,065	901,669
Weighted average interest rate	-	10.00%	10.00%	-	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

	Carrying value at period end \$	Profit or loss		Equity	
		100 bp increase \$	100 bp decrease \$	100 bp increase \$	100 bp decrease \$
Consolidated – 2024					
Financial assets					
Cash and cash equivalents	3,422,215	23,836	(23,836)	23,836	(23,836)
Cash flow sensitivity (net)		23,836	(23,836)	23,836	(23,836)
Consolidated – 2023					
Financial assets					
Cash and cash equivalents	4,688,824	25,919	(25,919)	25,919	(25,919)
Cash flow sensitivity (net)		25,919	(25,919)	25,919	(25,919)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for doubtful debts.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is AA and above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

Exposure to credit risk

The Group's maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED	
	2024	2023
	\$	\$
Cash and cash equivalents	3,422,215	4,688,824
Trade and other receivables	89,463	41,915
	3,511,678	4,730,739

Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk

The Group's exposure to commodity price risk is minimal at this stage of its operations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	6 months or less
	\$	\$	\$
Consolidated – 2024			
Trade and other payables	350,285	350,285	350,285
Lease liabilities	401,502	401,502	57,500
	751,787	751,787	407,785
Trade and other receivables	89,463	89,463	89,463
	89,463	89,463	89,463
Consolidated – 2023			
Trade and other payables	452,065	452,065	452,065
Lease liabilities	449,604	449,604	54,339
	901,669	901,669	506,404
Trade and other receivables	41,915	41,915	41,915
	41,915	41,915	41,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2024 and 30 June 2023:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2024				
Financial assets at FVOCI	78,750	-	-	78,750
	78,750	-	-	78,750
30 June 2023				
Financial assets at FVOCI	126,250	-	-	126,250
	126,250	-	-	126,250

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board.

The capital structure of the Group consists of net debt (trade payables and provisions detailed in Notes 14 and 15 offset by cash and bank balances) and equity of the Group (comprising contributed issued capital, reserves, offset by accumulated losses detailed in Notes 17, 18 and 19).

The Group is not subject to any externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26: SHARE-BASED PAYMENTS

Share Option and Performance Right Plan

The Group has an Employee Securities Incentive Plan (“Incentive Plan”) for Directors, employees and contractors of the Group. In accordance with the provisions of the Incentive Plan executives and employees may be granted options and performance rights at the discretion of the Directors. Options and Performance Rights issued to Directors are subject to approval by shareholders.

Each share option or performance right converts into one ordinary share of Impact Minerals Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option or performance right. The options or performance rights carry neither rights of dividends nor voting rights. Options or performance rights may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the reporting period:

Security series	Number	Type of security	Issue date	Expiry date	Vesting date	Exercise price	Fair value at grant date
40 ⁽¹⁾	37,000,000	Option	8 Nov 2019	5 Nov 2023	Immediate	\$0.0149	\$0.00677
41 ⁽¹⁾	37,000,000	Option	8 Nov 2019	5 Nov 2023	5 Nov 2020	\$0.0149	\$0.00677
42 ⁽¹⁾	9,500,000	Option	15 Nov 2019	5 Nov 2023	Immediate	\$0.0149	\$0.00677
43 ⁽¹⁾	9,500,000	Option	15 Nov 2019	5 Nov 2023	5 Nov 2020	\$0.0149	\$0.00677
45	83,000,000	Option	30 Nov 2021	31 Oct 2025	Immediate	\$0.0217	\$0.007
47	1,000,000	Option	21 Apr 2022	31 Oct 2025	18 Mar 2023	\$0.024	\$0.0084
47	3,000,000	Option	21 Apr 2022	31 Oct 2025	18 Mar 2024	\$0.024	\$0.0084
48	3,000,000	Option	22 Apr 2022	22 Apr 2025	Immediate	\$0.024	\$0.007
49 ⁽¹⁾	158,254,389	Option	3 Jun 2022	2 Jun 2024	Immediate	\$0.02	\$0.0039
50	53,000,000	Option	24 Nov 2022	30 Nov 2025	Immediate	\$0.0125	\$0.0057
51	32,000,000	Option	7 Dec 2022	30 Nov 2025	6 Dec 2023	\$0.0125	\$0.005
52 ⁽²⁾	30,000,000	Option	17 Aug 2023	1 Dec 2025	4 May 2024	\$0.0112	\$0.0087
53a ⁽²⁾	45,666,664	Performance Right	19 Dec 2023	18 Dec 2026	19 Dec 2025	\$Nil	\$0.01
53b ⁽²⁾	45,666,667	Performance Right	19 Dec 2023	18 Dec 2027	19 Dec 2025	\$Nil	\$0.01
53c ⁽²⁾	45,666,669	Performance Right	19 Dec 2023	18 Dec 2027	19 Dec 2026	\$Nil	\$0.01

(1) Expired during the reporting period.

(2) 30,000,000 unlisted share options issued to the vendors of the Lake Hope Project as part consideration for the exercise of the option for the Lake Hope Project and 137,000,000 performance rights were issued to Directors and employees during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26: SHARE-BASED PAYMENTS (Continued)

Fair value of share options granted during the year

The fair value of share options at grant date is 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 fair value of options is determined at grant date and is expensed over the vesting period for those options. No director or employee options were issued during the reporting period. The fair value of Director and employee share options expensed during the year was \$349,265 (2023: \$422,717).

The model inputs for options granted during the year ended 30 June 2024 are as follows:

Inputs	Issue 52
Exercise price	\$0.0125
Grant date	17 Aug 2023
Vesting date	4 May 2024
Expiry date	1 Dec 2025
Share price at grant date	\$0.015
Expected price volatility	100%
Risk-free interest rate	4.01%
Expected dividend yield	0%

The model inputs for performance rights granted during the year ended 30 June 2024 are as follows:

Inputs	Issue 53a	Issue 53b	Issue 53c
Exercise price	\$Nil	\$Nil	\$Nil
Issue date	19 Dec 2023	19 Dec 2023	19 Dec 2023
Grant date	30 Nov 2023	30 Nov 2023	30 Nov 2023
Vesting date	19 Dec 2025	19 Dec 2025	19 Dec 2026
Expiry date	18 Dec 2026	18 Dec 2027	18 Dec 2027
Share price at grant date	\$0.01	\$0.01	\$0.01
Vesting Condition	Completion of a preliminary feasibility study by the Company with positive findings in relation to the Lake Hope HPA Project (Vesting Condition 1)	Following the satisfaction of Vesting Condition 1, completion of a definitive feasibility study by the Company with positive findings confirming the financial and technical viability of the Lake Hope HPA Project (Vesting Condition 2)	Following the satisfaction of Vesting Condition 2, the grant of a mining lease to the Company or a related body corporate in relation to the Lake Hope HPA Project (Vesting Condition 3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26: SHARE-BASED PAYMENTS (Continued)

Movements in share options during the year

Movement in the number of share options on issue during the year:

	2024		2023	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	426,254,389	0.018	365,754,389	0.02
Granted during the year	30,000,000	0.0112	85,000,000	0.0125
Exercised during the year	(44,729,829)	0.0125	-	-
Expired during the year	(215,004,577)	0.018	(24,500,000)	0.0354
Cancelled during the year	(10,519,983)	0.0125	-	-
Outstanding at the end of the year	186,000,000	0.016	426,254,389	0.018
Exercisable (vested) at the end of the year	186,000,000	0.016	391,254,389	0.018

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.3 years (2023: 1.5 years).

Share options outstanding at the end of the year

Share options issued and outstanding at the end of the year have the following exercise prices:

Expiry date	Exercise price cents	2024 Number	2023 Number
5 November 2024	1.49	-	93,000,000
31 October 2025	2.17	83,000,000	83,000,000
31 October 2025	2.4	4,000,000	4,000,000
2 June 2024 (Listed)	2.0	-	158,254,389
22 April 2025	2.4	3,000,000	3,000,000
30 November 2025	1.25	53,000,000	53,000,000
30 November 2025	1.25	13,000,000	32,000,000
1 December 2025	1.125	30,000,000	-
Totals		186,000,000	426,254,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2024 \$	2023 \$
Cash flows from operating activities		
Profit/(Loss) for the year	(6,752,567)	(5,782,028)
Non-cash flows in profit/(loss):		
- Depreciation	108,543	26,823
- Share-based remuneration	349,265	422,717
- Exploration expenditure write-off	4,893,889	5,473,236
- Government grants receivable	-	-
- Gain on sale of tenements	-	-
Changes in assets and liabilities		
- Decrease/(Increase) in trade and other receivables	(3,642)	(6,263)
- Decrease/(Increase) in other current assets	(28,852)	14,452
- Increase/(Decrease) in trade creditors and accruals	33,478	(24,721)
- Increase in provisions	(2,497)	16,667
Net cash used in operating activities	(1,402,373)	140,883

Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year, except for:

On 17 August 2023 the Company issued 20,000,000 fully paid ordinary shares (for a value of \$240,000) and 30,000,000 options with an exercise price of \$0.0112 and expiry date of 1 December 2025 (for a value of \$135,761) to the vendors of the Lake Hope Project as part consideration to the earn in agreement on the project.

NOTE 28: RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Domicile for taxation	Ownership	
				2024 %	2023 %
Impact Minerals Limited	Ordinary	Australia	Australia	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) Subsidiaries

	Class	Country of incorporation	Domicile for taxation	Ownership	
				2024 %	2023 %
Aurigen Pty Ltd	Ordinary	Australia	Australia	100	100
Siouville Pty Ltd	Ordinary	Australia	Australia	100	100
Invictus Gold Limited	Ordinary	Australia	Australia	100	100
Drummond West Pty Ltd ⁽ⁱ⁾	Ordinary	Australia	Australia	100	100
Endeavour Minerals Pty Ltd ⁽ⁱⁱ⁾	Ordinary	Australia	Australia	100	100
Blackridge Exploration Pty Ltd ⁽ⁱⁱⁱ⁾	Ordinary	Australia	Australia	100	100

(i) Drummond West Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(ii) Endeavour Minerals Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(iii) Blackridge Exploration Pty Ltd is a wholly owned subsidiary of Drummond West Pty Ltd.

d) Key management personnel compensation

	2024 \$	2023 \$
Short-term employee benefits	403,540	371,995
Post-employment benefits	13,762	13,137
Share-based payments	227,367	302,100
	644,669	687,232

Detailed remuneration disclosures are provided in the Remuneration Report on pages 8 to 14. A total of \$278,425 (2023: \$246,880) was capitalised as exploration expenditure.

e) Transactions with related parties

During the year, the Company was invoiced by Head Studio Investment Trust T/A Grants Residential Services (an entity associated with Dr Mike Jones, the Managing Director of Impact) for office cleaning services. This work was undertaken on an arm's length basis and for the year ended 30 June 2024 totalled \$3,677 excluding GST (2023: \$575).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29: PARENT ENTITY DISCLOSURE

	2024 \$	2023 \$
Financial Performance		
Profit/(loss) for the year	(6,023,219)	(5,782,028)
Other comprehensive income	-	-
Total comprehensive profit/(loss)	(6,023,219)	(5,782,028)
Financial Position		
ASSETS		
Current assets	5,342,277	8,069,814
Non-current assets	8,186,928	8,086,230
TOTAL ASSETS	13,529,205	16,156,044
LIABILITIES		
Current liabilities	533,403	649,262
Non-current liabilities	323,125	401,502
TOTAL LIABILITIES	856,528	1,050,764
NET ASSETS	12,672,677	15,105,280
EQUITY		
Issued capital	66,432,353	62,742,519
Option reserve	1,656,930	1,708,647
Financial asset reserve	(71,250)	(23,750)
Transactions with non-controlling interest	(1,161,069)	(1,161,069)
Accumulated losses	(54,184,286)	(48,161,067)
TOTAL EQUITY	12,672,677	15,105,280

No guarantees have been entered into by Impact Minerals Limited in relation to the debts of its subsidiaries. Impact Minerals Limited's commitments are disclosed in Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 30: CONSOLIDATED ENTITIES DISCLOSURE

	Type of entity	Country of incorporation	Domicile for taxation	Ownership	
				2024 %	2023 %
Impact Minerals Limited	Body corporate	Australia	Australia	-	-
Aurigen Pty Ltd	Body corporate	Australia	Australia	100	100
Siouville Pty Ltd	Body corporate	Australia	Australia	100	100
Invictus Gold Limited	Body corporate	Australia	Australia	100	100
Drummond West Pty Ltd ⁽ⁱ⁾	Body corporate	Australia	Australia	100	100
Endeavour Minerals Pty Ltd ⁽ⁱⁱ⁾	Body corporate	Australia	Australia	100	100
Blackridge Exploration Pty Ltd ⁽ⁱⁱⁱ⁾	Body corporate	Australia	Australia	100	100

(i) Drummond West Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(ii) Endeavour Minerals Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(iii) Blackridge Exploration Pty Ltd is a wholly owned subsidiary of Drummond West Pty Ltd.

DIRECTORS' DECLARATION

The Directors of Impact Minerals Limited declare that:

- 1) in the Directors' opinion, the financial statements and notes set out on pages 22 to 57 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and mandatory professional reporting requirements.
 - c) The consolidated entity disclosure statement in page 57 is true and correct as at 30 June 2024.
- 2) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.



Peter Unsworth

Chairman

Perth, Western Australia

27 September 2024

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Impact Minerals Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director’s declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$6,752,567 during the year ended 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and Evaluation- \$9,813,877</p> <p>(Refer to Note 11)</p> <p>Exploration and evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balance to the Consolidated Entity's consolidated financial position. <p>The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements; For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest; We assessed each area of interest for one or more of the following circumstances that

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>may indicate impairment of the capitalised expenditure:</p> <ul style="list-style-type: none"> ○ the licenses for the right to explore expiring in the near future or are not expected to be renewed; ○ substantive expenditure for further exploration in the specific area is neither budgeted or planned; ○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources. ○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
<p>Assets classified as held for sale - \$1,782,037 (Refer to Note 9)</p> <ul style="list-style-type: none"> • The Company announced a Share Purchase Agreement with Burrendong Minerals Limited to dispose of 75% of the shares in Impact's wholly owned subsidiary Endeavour Minerals Pty Ltd. The principal assets of the subsidiary are the Commonwealth Project tenements (EL8504, EL8505, EL5874, EL8212 and EL8252) in year 2022. A revised term sheet has been entered and Burrendong Mineral Limited will acquire 51% interest. At December 2023 the term sheet was amended and overall valuation of the Project was impacted with an impairment being recognised during the current year. • The Company granted Peter Campbell FT Pty Ltd an option to buy all the shares in Blackridge Exploration Pty Ltd as at 30 June 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Review of the Agreements; • Assessment of the transactions to verify the measurement and classification of the assets to ensure they were recorded at the lower of the carrying amount or fair value less cost to sell; and • Assessing the appropriateness of the related disclosures in the financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2022. The principal assets are three exploration licenses EPM26806, EPM27410 and EPM27571. At 30 June 2024 balance date the Company's tenements was carried at \$342,942.</p> <ul style="list-style-type: none"> We considered this as a key audit matter because of the size and nature of the transactions. 	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Impact Minerals Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark DeLaurentis
MARK DELAURENTIS CA
Director

Dated this 27th day of September 2024
Perth, Western Australia