



8 October 2012

Dear Shareholder

Non-renounceable pro rata entitlement offer

On 23 August 2012 Impact Minerals Limited (**Impact** or **Company**) announced:

- (a) a private placement of 50 million shares at an issue price of \$0.03 per share, raising \$1.5 million (**Placement**). The Placement has been made with Shareholder approval, to sophisticated investors based in Germany, M. Elsasser & Cie AG 1971 and Susanne Bunnenburg; and
- (b) a one (1) for one (1) non-renounceable pro rata entitlement offer at an issue price of \$0.03 per share to raise up to approximately A\$5.53 million (before expenses) (**Offer**).

A copy of the Company's announcement is available at www.impactminerals.com.au.

Key information

Key information in connection with the Offer and important dates are set out below for your reference:

- (a) The Offer is a non-renounceable pro-rata offer and is being undertaken on the basis of one (1) new fully paid ordinary share (**New Share**) for every one (1) ordinary share held by eligible shareholders at \$0.03 cents per share. The Offer will be made at the same price as the Placement. The Placement shares will be eligible to participate in the Offer.
- (b) The record date for eligible shareholders is 7.00 p.m. (AEDT) on Monday 15 October 2012 (**Record Date**).
- (c) Eligible shareholders include those shareholders whose registered address is within Australia or New Zealand as at the Record Date.
- (d) Shareholders with a registered address outside Australia or New Zealand at the Record Date may be eligible to participate in the Offer, depending on the securities laws of their country of residence and their individual circumstances.

- (e) A maximum of 184,335,328 New Shares will be issued under the Offer. This number excludes shares which may be issued in the event that an option holder elects to exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is also subject to a final reconciliation and rounding of entitlements.
- (f) After the Placement and Offer (and subject to the Offer being fully subscribed), the Company will have up to 368,670,656 ordinary shares on issue, all of which will be quoted on the Australian Securities Exchange (**ASX**). The Company will also have 950,000 unlisted options on issue, which are not quoted on the ASX.
- (g) As a non-renounceable entitlement offer, rights are not tradeable on the ASX or otherwise transferable. Eligible shareholders who elect not to take up their full entitlement will not receive any value in respect of those entitlements not taken up. Ineligible shareholders will not receive any value in respect of entitlements they would have received as eligible shareholders.
- (h) For the purposes of calculating your entitlement, fractional elements will be rounded up to the nearest whole number.
- (i) New Shares will rank equally with the Company's existing fully paid ordinary shares.
- (j) Shareholder approval of the Offer is not required.
- (k) The Offer will be undertaken with a prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth).
- (l) The Offer is partially underwritten to the amount of \$2,400,000.
- (m) Eligible shareholders will be able to apply for additional New Shares to the extent that there is a shortfall of acceptances under the Offer.
- (n) The Company does not have a dividend policy. Payment of future dividends will depend upon future profitability and the financial position of the Company.

Use of the proceeds

The purpose of the Placement and Offer is to facilitate the ongoing development of the Company's projects in Botswana, and to enable the Company to subscribe for its entitlement in, and to underwrite, the entitlement offer of Invictus Gold Limited (**Invictus**), an ASX-listed entity in which the Company holds a 44.4% equity interest.

The proposed uses of the funds raised under the Placement and Offer include:

- (a) working capital for the Botswana Uranium Project and the Xade Project;
- (b) subscription and underwriting of the Invictus entitlement offer; and
- (c) providing working capital for corporate and project purposes.

Key dates

Full details of the Offer will be contained in the prospectus to be lodged with ASIC. The prospectus will be dispatched to all Eligible Shareholders together with a personalised entitlement and acceptance forms, on or about 17 October 2012.

Key dates which shareholders should note are as follows:

Event	Date
Announcement of Offer	Thursday, 23 August 2012
Lodgment of prospectus with ASIC	Thursday, 4 October 2012
Notice to option holders	Thursday, 4 October 2012
Notice of Offer sent to Shareholders	Monday, 8 October 2012
Securities quoted on an "ex" basis	Tuesday, 9 October 2012
Record Date	7.00pm (AEST) on Monday, 15 October 2012
Prospectus and Entitlement and Acceptance Form sent to Shareholders	Wednesday, 17 October 2012
Offer opens	Wednesday, 17 October 2012
Offer closes	7:00pm (AEST) on Friday, 2 November 2012
New Shares quoted on a deferred settlement basis	Monday, 5 November 2012
Allotment and quotation of New Shares	Friday, 9 November 2012
Despatch of holding statements	Tuesday 13 November 2012
Ordinary trading of New Shares commences	Wednesday, 14 November 2012

* These dates and times are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and (subject to the Corporations Act and ASX Listing Rules) to extend the latest date for receipt of the Entitlement and Acceptances Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Offer without prior notice.

Further information

For further information on the Offer, please see the Company's announcements from 23 August 2012 as listed on the ASX website (www.asx.com.au) or the Company's website (www.impactminerals.com.au). Alternatively, please contact Computershare Investor Services Pty Limited (Share Registry) on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) or the Company on +61 8 6454 6666.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael G Jones", is written over a thin horizontal line. A vertical yellow line is positioned to the right of the signature.

Dr Michael G Jones
Managing Director