IMPACT MINERALS LIMITED

ASX ANNOUNCEMENT
ASX: IPT

Date: 18th November 2009

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Large Uranium Targets Identified at Lekobolo Prospect, Botswana

SUMMARY

- **A soil geochemistry programme at Impact's Lekobolo Uranium Prospect adjacent to and south of the large Letlhakane uranium deposit in Botswana has defined a very large area up to 16 km long and 7 km wide that contains elevated uranium-in-soil values;**
- **Within this 110 sq km area of elevated uranium-in-soil values there are at least six strongly anomalous areas that cover about 30 sq km and which are prospective for uranium deposits hosted by Karoo rocks and younger calcrete;**
- **These areas have not been drilled;**
- **Follow up field checking and selection of specific areas to be drilled is in progress with the aim of drilling in December, weather permitting;**
- **Impact is progressing similar soil programmes at four other priority areas within its Prospecting Licences in Botswana which cover 27,000 sq km of uranium-prospective rocks along strike from Letlhakane, owned by A-Cap Resources Limited.**

Market Cap

A$23m ($0.25 p/s)

Issued Capital

93,403,328

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Introduction

Soil sampling results from Impact's Lekobolo Uranium Prospect have defined a very large area of about 110 square kilometres that contains elevated uranium-in-soil values.

Lekobolo is located 20 km along strike to the south west of the large Letlhakane uranium deposit that covers an area of about 30 sq km (Figures 1 and 2). The Lekobolo Prospect covers the south western extension of the host rocks to the uranium mineralisation at Letlhakane and also the recently discovered prospects at Serule West and Serule East, all of which trend towards Impact's Licences under younger cover rocks, calcrete and alluvium (Figure 2).

The geological setting at Lekobolo is very similar to that at Letlhakane (Figure 2). There has been no previous drilling for uranium in the Lekobolo area.

Impact's ground-holding in Botswana comprises 27,000 square kilometres of granted Prospecting Licences that cover the prospective Karoo Group sedimentary rocks and the younger Kalahari Group sediments and calcrete.

Soil Results at Lekobolo

Impact's soil survey at Lekobolo comprised 945 samples taken at 500 metre intervals along lines one kilometre apart and analysed for uranium by the MMI-M partial digest method at SGS Laboratories in Perth.

The soil results have defined a very large area up to 16 km long and 7 km wide that trends north west to south east and contains elevated uranium-in-soil values of between 5 and 200 times background. This area is centred on the contact between Karoo rocks (covered in places by younger rocks and sand) to the west and by older rocks to the east in a similar stratigraphic position to Letlhakane (Figures 2 and 3).

Within this large area there are at least six priority targets for further work and that cover nearly 30 square kilometres of Impact's Licence area (Figure 3). These targets are defined by uranium responses greater than 20 times background.

Towards the eastern end of the strongest anomaly (Figure 3) outcrops of Karoo sandstone are interpreted to be within a west-draining Karoo palaeochannel that enters a sedimentary basin hidden beneath the younger sand and calcrete.

Follow up field checking and selection of specific areas to be drilled in December, weather permitting, is in progress.

For comparison, Figures 2 and 3 also show, at the same scale, the size of the Kayelekera uranium deposit in Malawi which is being mined by Paladin Energy Limited. This deposit has dimensions of merely 1,000 metres by 750 metres and has Ore Reserves of 12.6 Mt of uranium oxide at a grade of 1,053 ppm at a 400 ppm cut off. Given these relatively small dimensions, there is significant potential to find analogues of such a deposit at Lekobolo and elsewhere within Impact's licences.

In addition in the sand-covered central part of the area sampled there are weak to moderate uranium-in-soil responses (Figure 3). Further interpretation of these results is in progress as they may be significant.

The uranium-in-soil results at Lekobolo are significant and support the high prospectivity for both Karoo and calcrete hosted uranium mineralisation.

Additional Soil Sampling Programmes

Soil sampling programmes on the other four priority Prospects identified by Impact are progressing as follows (Figure 1):

- Assay results have been received for the Kodibeleng Prospect and interpretation of this data has commenced. There are areas of interest for follow up field checking and further details will be reported when the interpretation is complete.
- Sampling is in progress at the Sua Prospect.
- Reconnaissance programmes at the Ikongwe and Shoshong Prospects will commence following the completion of sampling at Sua.

Dr Michael G Jones
Managing Director

Impact's Botswana Uranium Project

Impact's Prospecting Licences in Botswana cover 350 km of the strike extensions of rocks that host many significant uranium deposits throughout southern Africa, including Letlhakane.

The large Letlhakane Project is owned by A-Cap Resources Limited which has reported an Inferred Resource of 98 Mlb of uranium oxide at an average grade of 158 ppm at a cut-off grade of 100 ppm, in deposits hosted by near-surface calcrete and by Karoo Group sedimentary rocks (Figures 1 and 2).

Impact's licences are prospective for three types of uranium deposits:

- deposits hosted by Karoo sedimentary rocks, which host a number of large uranium deposits throughout southern Africa, including at Letlhakane;
- uranium hosted by calcrete in Cainozoic palaeochannels, a style of mineralisation well known in Australia and Namibia; and
- deposits within playa (salt) lakes which, in Australia and elsewhere in Africa, are known to host significant uranium deposits.

Impact has identified 18 such target areas with a combined strike length of more than 400 km within its licences (Figure 1). These generally comprise elongate regions within which there are variably exposed calcrete outcrops and/or outcrops of prospective Karoo sedimentary

rocks. Many have elevated surface uranium responses in the regional airborne radiometric data and in ground spectrometer readings.

The Lekobolo Prospect is one of five priority targets identified by Impact (see ASX release dated 8th September 2009) on the basis of the widespread surface uranium anomalism in calcretes and sandstones, backed by regional mapping, ground reconnaissance work and sampling. These other four priority targets are Lekobolo, Sua, Kodibeleng, Ikongwe and Shoshong (Figure 1).

Impact's targets in Botswana have the potential to host very large deposits of uranium mineralisation in a country ranked in first place by the Fraser Institute in its 2009 survey of Mining jurisdictions in Africa.

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works full time 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 December 2004 edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mike 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.

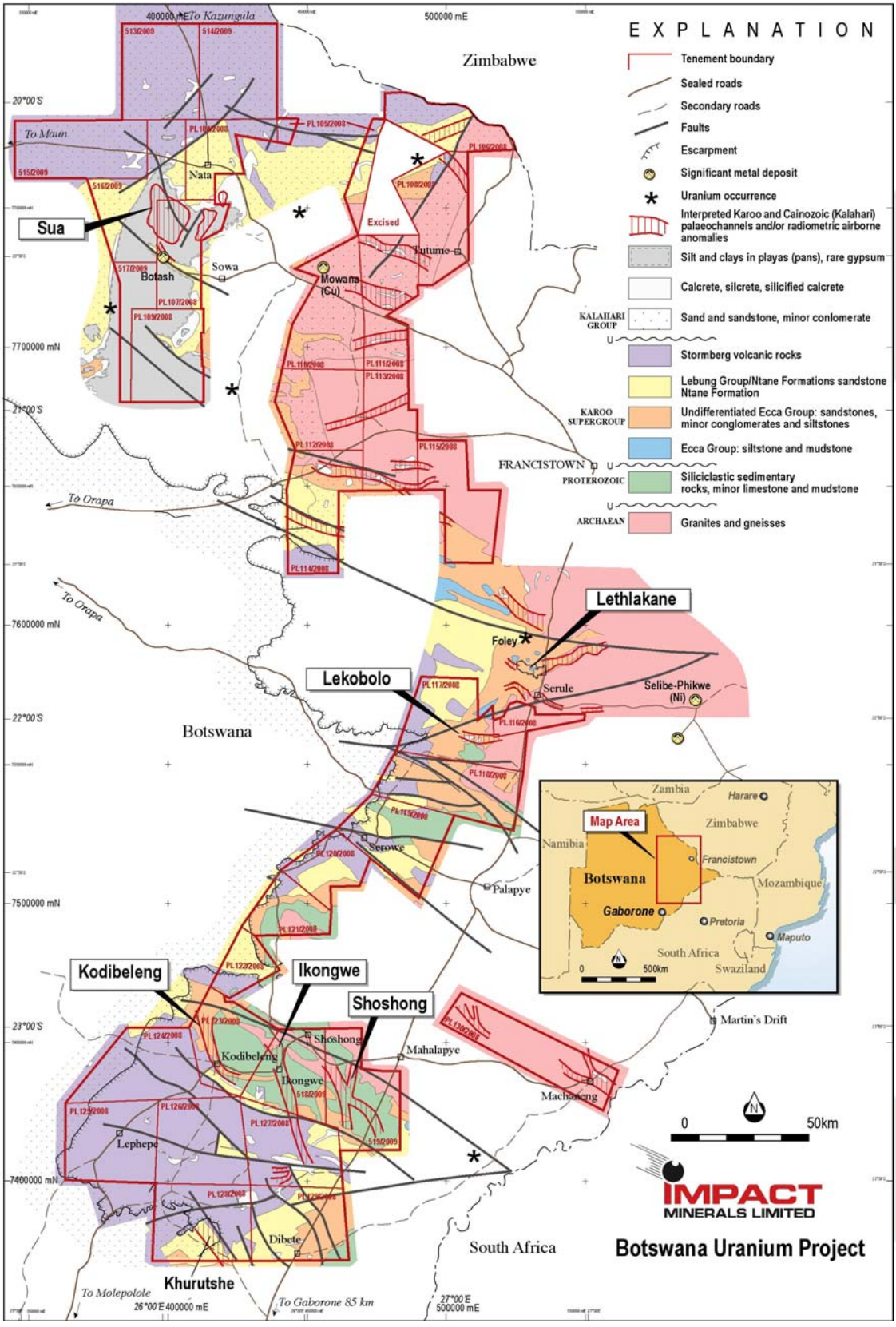

Figure 1. Geology and Location of Priority Targets within the Botswana Uranium Project Area.

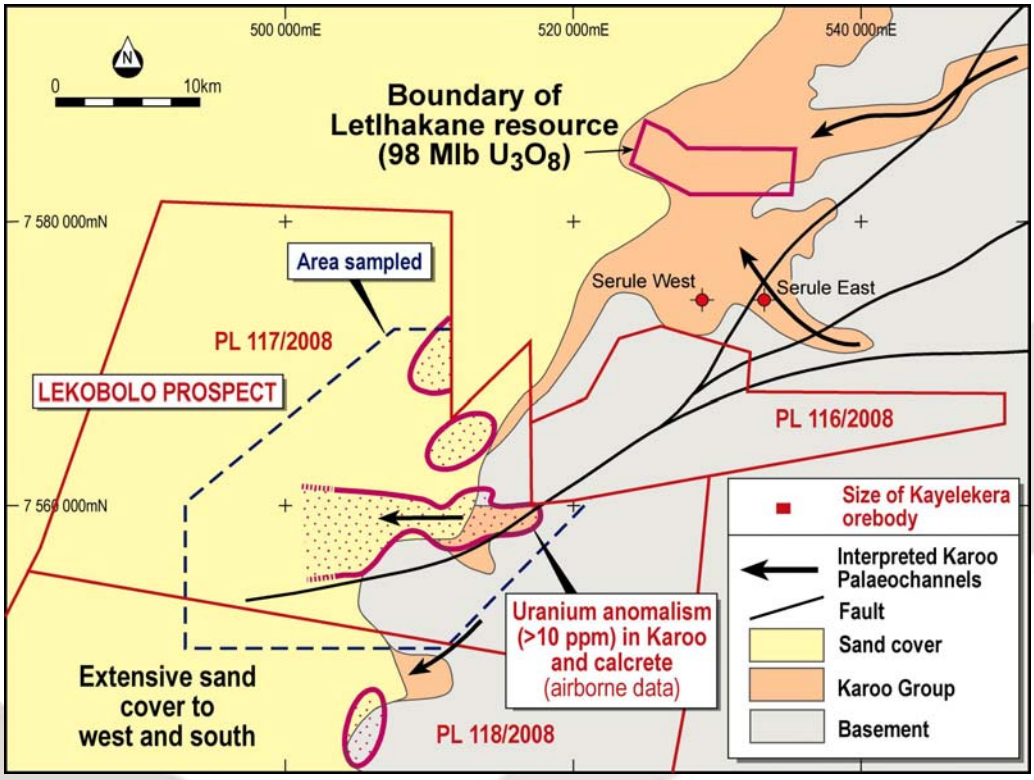

Figure 2. Geology of the Lekolobo Target and Location of area sampled.

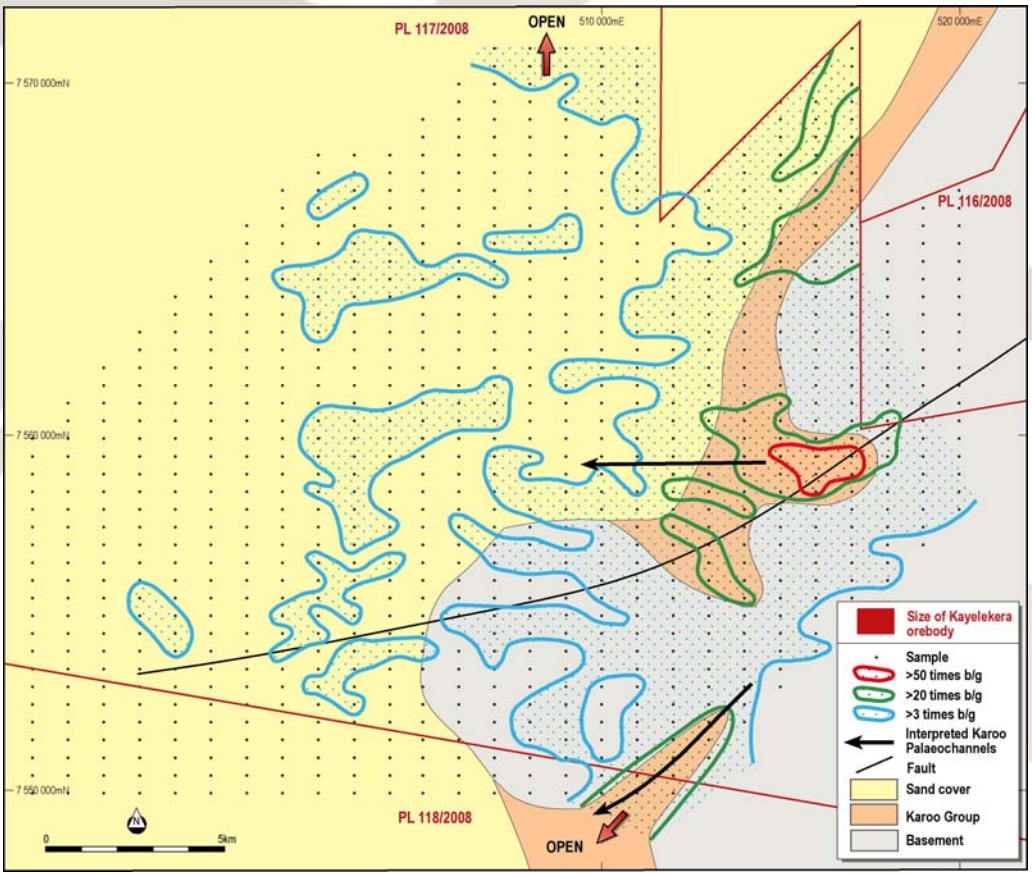

Figure 3. Uranium-in-soil results.