MARCH 2007 QUARTERLY REPORT

HIGHLIGHTS

- **A large new uranium project called the Pebble Creek Project which covers 7000 sq km of the Drummond Basin was applied for in Queensland;**

- **Quinns Lake and Yarrabubba Uranium Projects (WA): Compilation of historical drilling database continued. New drill targets were identified for 8 km along strike from the Nowthanna Uranium Deposit, and the required Aboriginal Heritage procedures to allow drilling were initiated. Drilling is likely to occur in July;**

- **Yarrabubba Nickel Project (WA): CITIC Resources Australia Pty Ltd earned its 60% equity in the Project and Impact's interest is now 20%. A large VTEM Survey has been commissioned in order to define drill targets for nickel bearing deposits of massive sulphide and is scheduled to be flown in mid 2007. Reconnaissance soil sampling programme was completed over several bullseye magnetic anomalies. Results have been received and are being assessed;**

- **Junction South Nickel and Gold Project (WA): The Junction South Joint Venture Agreement with Liontown Resources Ltd was renegotiated. Liontown has earned its 60% equity in the Project by completing a ground EM survey. A new conductor that warrants drilling was identified. Liontown Resources has scheduled drilling for mid-2007;**

- **Clermont Project (QLD): The compilation and review of historic drilling and other exploration data has been completed. Ground magnetic, Sub-audio magnetic (SAM) and soil geochemical surveys were completed at the Ayers Rock Prospect. Interpretation of the data is in progress. Drilling is scheduled for May-June;**

- **Drummond East and Drummond West Projects (QLD): Compilation and review of previous exploration data has commenced. A large airborne magnetic and radiometric survey is due to be flown in May.**

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1. The Pebble Creek Uranium Project (EPM's 16331-16344, Impact 100%)

During the Quarter Impact identified a number of uranium occurrences in the western part of the Drummond Basin Queensland that were last explored about 25 years ago. The area is prospective for two styles of uranium deposit:

1. roll-front and structurally controlled uranium deposits hosted by sedimentary bedrock; and
2. palaeochannel-hosted deposits within overlying Tertiary sediments similar to those at Beverley and Honeymoon in South Australia.

Accordingly 14 Exploration Licences that cover about 7,000 sq km of the Drummond Basin and collectively called the Pebble Creek Project were applied for.

Previous explorers in this area reported rock chip channel samples containing up to 1,000 ppm (0.1%) uranium oxide in phosphate-rich sandstones and siltstones in the Carboniferous Ducabrook Formation. In addition Impact recognised that the overlying Star of Hope Formation and Raymond Sandstone contain elevated uranium counts in regional airborne radiometric data. The rocks have been folded into upright open anticlines and synclines, commonly with faulted limbs. Positions where these faults intersect the prospective host rocks are good trap sites for deposits of uranium.

Previous exploration was done by three companies between 1977 and 1981. A.O. Australia flew a wide-spaced airborne radiometric survey over the eastern part of the Project Area and identified 40 radiometric anomalies associated with major shear zones and fold hinges. About 25 of these anomalies were field checked. Rock chip sampling indicated that uranium mineralisation extended for several kilometers. The best rock chip channel sampling result was 0.7 m at 1,000 ppm uranium oxide. Values of between 100 and 400 ppm were common. No drilling was done.

BP Mining Development Australia Pty Ltd explored a small area in the centre of the Project Area. Rock chip samples containing up to 410 ppm U_3O_8 were returned from phosphatic siltstone. Grades were interpreted to increase close to faults and one fault zone was drilled. Five percussion holes failed to hit the target depth with the best result from gamma logs being 2 m at 65 ppm eU_3O_8 from
66 metres. Three diamond holes were drilled at one kilometer intervals for a total of 360 m with a best result of 0.4 m at 300 ppm eU3O8 from 80.6 metres.

Mobil Energy Minerals Australia Pty Ltd explored the western part of the Project Area for uranium deposits hosted by the Ducabrook Formation under the Tertiary cover. A total of 32 drill holes for 3339 m were completed with no significant results recorded in the gamma logs. However most of the holes failed to reach the prospective Ducabrook Formation. This drilling indicated that the Tertiary cover is up to 94 m thick in places and a prospective palaeochannel, interpreted in the central part of the Project Area, was not explored. In these Tertiary rocks, Impact is targeting deposits similar to those at Honeymoon and Beverley where individual ore zones are up to 1.5 km in dimension. The wide-spaced Mobil drill holes have tested only a very small part of the area.

Proposed Exploration Programme

It is proposed that upon granting of the tenements, a detailed airborne radiometric and magnetic survey will be flown over the areas of good outcrop in the eastern part of the Project Area. This data will be interpreted together with other remotely sensed data to identify prospective rocks and structures. In the western part of the Project Area, which is covered by Tertiary rocks and regolith, an airborne electromagnetic survey will be flown in order to map out buried palaeochannels and suitable trap sites for uranium.

2. The Quinns Lake (E51/1075) and Yarrabubba (E51/1072-3, E20/563-567) Uranium and Nickel Projects, Western Australia

The Quinns Lake and Yarrabubba projects are located 70 km south east of Meekatharra in Western Australia and comprise adjacent tenement holdings with different ownership structures and with common exploration potential for deposits of calcrete-hosted uranium oxide and Sudbury-style World Class nickel-copper-PGM deposits.

2.1 Nowthanna Uranium Deposit (40% beneficial interest)

Impact Minerals owns approximately 40% of the uranium oxide resource within the Nowthanna uranium deposit. The deposit occurs partly in the Quinns Lake Project tenement (E51/1075 Impact 100%) and partly in the Yarrabubba Project (Impact 20%) which is in Joint Venture with CITIC Resources Australia Pty Ltd, part of the CITIC Group, as well as a syndicate of prospectors.

The portion of the resource attributable to Impact (100% of the Nowthanna Project and 20% of the Yarrabubba Project) at a cut off grade of 0.2 kg/t (200 ppm) uranium oxide is 3.92 Mt at an average grade of 0.45 kg/t (450 ppm), for a contained 1800 t or 4 million pounds of uranium oxide.

The Nowthanna deposit is a calcrete-hosted deposit similar to the nearby Lake Way and Centipede deposits (owned by Nova Energy Ltd) and the Lake Maitland deposit (owned by Redport Ltd, a subsidiary of Mega Uranium Limited).

During the Quarter the results of a soil sampling programme were received and interpreted and work continued on the validation of the large historical drilling database. This work has identified drill targets for 8 km along strike to the south and south west of the Nowthanna Uranium Deposit all within Impact's 100% owned Quinns Lake Project (E51/1075). A major drill programme to test these areas has been designed and the organisation of the required Aboriginal Heritage Survey has been commenced. The Survey should be completed next Quarter at which time the timing of the drill programme will be confirmed.

2.2 Nickel Exploration (E51/1075 Impact 100%; E51/1072-3, E20/563-567 Impact 20%)

The Quinns Lake -Yarrabubba Project Areas were recognized by Impact's technical team to have most of the geological characteristics of the World Class Sudbury nickel-copper-PGM mining camp. An extremely large sub-circular magnetic low in regional magnetic data was interpreted to be the signature of a buried structure caused by a major meteorite impact structure. A detailed airborne magnetic survey defined in greater detail the magnetic low and associated structures of interest. The low is at least 50 km long and up to 15 km wide and is interpreted to be caused by both the meteorite impact and by subsequent related hydrothermal alteration. Interpretation of this data by Impact has also revealed multiple radial and concentric structures prospective for Sudbury-style deposits of nickel, copper and platinum group metals.

During the Quarter CITIC earned its 60% interest in the Yarrabubba Project. Accordingly Impact's interest has been diluted to 20%. Impact has elected to contribute pro-rata to the on-going exploration programme.

A review of previous exploration data indicated that a number of isolated bullseye magnetic anomalies which had been previously explored for diamonds had not been effectively tested. Several of the anomalies had been drill tested but the holes did not reach the target depth because they intersected granite rather than rocks prospective for diamonds. The source of the magnetic anomalies was not explained. Impact considers that these anomalies may represent potential host rocks that are prospective for nickel. Reconnaissance lines of soil samples were completed over some of the magnetic anomalies. The assay results were received in early April and are being assessed.

A large helicopter-borne electro-magnetic survey using the VTEM system is scheduled to be flown over the central west part of the Yarrabubba Project Area in late June.

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3. The Junction South Nickel and Gold Project, Western Australia (M15/655-656 and E15/148, Impact 40%)

The Junction South Project is located 45 kms south east of the major gold and nickel mining camp of Kambalda in Western Australia. The tenements are in Joint Venture with, and are managed by, Liontown Resources Limited who are exploring for nickel and gold. Exploration by previous companies has focused on gold and has returned broad intersects of low grade gold mineralization in silica-chlorite-pyrite altered dolerites, similar to the host rocks of gold deposits at the St Ives Mining Centre about 30 km to the north. The ultramafic rocks in the tenements are interpreted to be structural repetitions of the rock units that host the nickel deposits at the Schmitz and Lanfranchi Mines about 15 km to the north west. Previous exploration at Junction South in the 1990's identified numerous ground electromagnetic anomalies that are coincident with nickel and cobalt soil geochemistry anomalies and with prospective structures evident in magnetic data.

During the Quarter the Junction South Joint Venture was renegotiated with Liontown Resources Limited. The deadline for Liontown to earn its initial 60% interest in the Project was extended from January 2007 to July 2007 for which Liontown waived its right to purchase a further 20% in the Project. Liontown earned its initial 60% interest at the end of the Quarter.

During the Quarter Liontown completed a ground TEM survey over part of the Project Area and identified a conductor interpreted to be a 50 m x 50 m body of high conductance hosted by ultramafic rocks. This conductor will be assessed together with other conductors identified in previous surveys for drilling in the June Quarter.

4. Gold Exploration in the Drummond Basin, Queensland (EPM's 14116-117, EPM's 14927-929 and EPM's 14932-934, Impact 100%)

Impact owns 100% of two very large groups of tenements over the northern part of the Drummond Basin called Drummond East (EPM's 14927-929) and Drummond West (EPM's 14932-934) as well as the Clermont Project (EPM's 14116-117) located about 100 km south of the Twin Hills Mine. The Drummond Basin is one of Australia's most prospective areas for large and World Class epithermal vein and stockwork style gold deposits and for bulk-tonnage disseminated gold deposits. It contains the three million ounce Vera-Nancy-Pajingo mining centre and dormant mines at Twin Hills, Yandan, Mt. Coolon and Wirralie.

4.1 Clermont Project (EPM's 14116-117)

About half of the Clermont Project Area of 590 sq km is interpreted to be underlain by the prospective Cycle 1 Volcanics, beneath a cover of younger rocks and regolith which has hindered previous exploration. Exploration by Impact is focused on the Ayers Rock Prospect where previous exploration was targeted at IP resistivity anomalies that are partly coincident with poorly outcropping vein quartz. One such linear resistivity anomaly has been drilled on sections ranging from 50 m to 200 m apart along 2,000 m of strike, for a total of 66 RC holes and 6,487 metres. Many of these holes intersected widespread silica-sericite-pyrite alteration and low grade gold up to 0.5 g/t. Several holes had intersects of interest, including:

- ARC008: 22 m at 1.1 g/t from 60 m depth; and
- ARC009: 32 m at 3.8 g/t from 22 m including 2 m at 32.8 g/t from 22 m and 18.9 g/t from 50 metres.

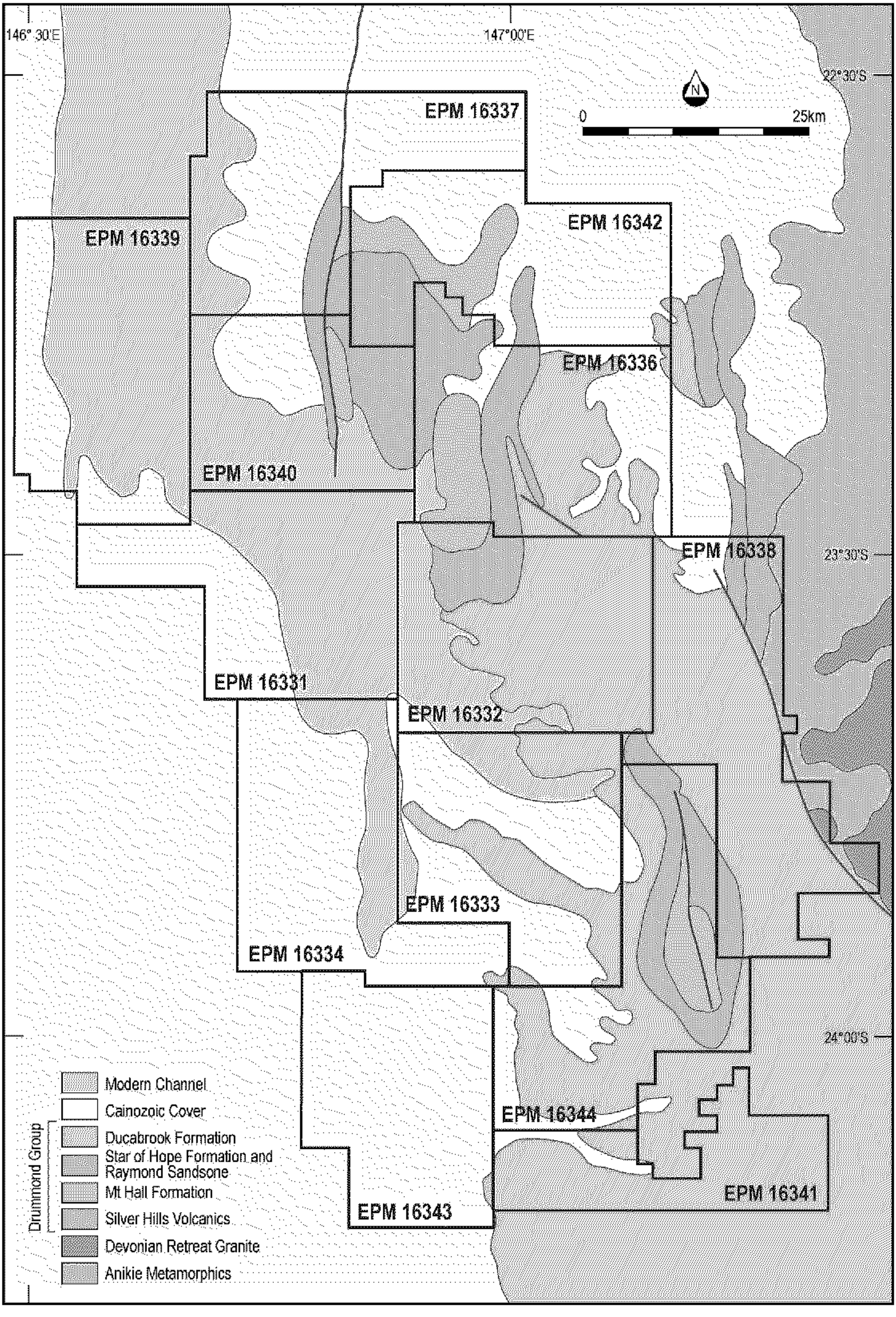
During the Quarter all previous data for the Clermont Project was compiled and reviewed and a large soil geochemistry programme and a Sub-Audio Magnetic (SAM) and ground magnetic survey were completed over the Ayers Rock Prospect. The results of these surveys have been received and are being assessed. It is anticipated that drilling will commence in late May-early June.

4.2 Drummond West and Drummond East Projects

During the Quarter work commenced on the compilation of the extensive previous exploration data. A large airborne magnetic and radiometric survey has been commissioned over prospective parts of the project areas and this work is scheduled to commence in May.

Dr Michael G Jones
Managing Director

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 a full time employee of 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.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EPM 16341
EPM 16343
Modern Channel
Cainozoic Cover
Ducabrook Formation
Star of Hope Formation and Raymond Sandsone
Mt Hall Formation
Silver Hills Volcanics
Devonian Retreat Granite
Anikie Metamorphics
Drummond Group

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

IMPACT MINERALS LIMITED

ABN	Quarter ended ("current quarter")
52 119 062 261	31 MARCH 2007

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(239)	(527)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(238)	(383)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		20	47
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(457)	(863)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(43)	(158)
		(d) environmental bonds	-	(20)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid from other entities		-	-
1.12	Other (provide details if material)		-	-
	Net investing cash flows		(43)	(178)
1.13	Total operating and investing cash flows (carried forward)		(500)	(1,041)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(500)	(1,041)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,100
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	47
1.17	Repayment of borrowings	-	(73)
1.18	Dividends paid		-
1.19	Other – Share Issue costs	-	(233)
	Net financing cash flows	-	4,841
	Net increase (decrease) in cash held	(500)	3,800
1.20	Cash at beginning of quarter/year to date	4,992	692
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**4,492**	**4,492**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	89
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	N/A	
3.2	Credit standby arrangements	N/A	

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	450
4.2	Development	-
	Total	**450**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	6	178
5.2	Deposits at call	1,093	1,421
5.3	Bank overdraft		-
5.4	Other (Commercial Bills)	3,393	3,393
	Total: cash at end of quarter (item 1.22)	**4,492**	**4,992**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	NIL			
6.2	Interests in mining tenements acquired or increased	NIL			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	63,300,002	63,300,002		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	**+Convertible debt securities** *(description)*	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(Issued to Employees and Contractors)*	460,000	-	25 cents	31/12/2010
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*	NIL			
7.12	**Unsecured notes** *(totals only)*	NIL			

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 30 April 2007
(Company secretary)

Print name: Mark Pitts

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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