ANNOUNCEMENT

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EXPLORATION UPDATE

NEW DRILL TARGETS IDENTIFIED AT THE CLERMONT GOLD PROJECT QUEENSLAND: DRILLING TO START IN LATE JUNE

Impact Minerals Limited (Impact) is pleased to announce soil sampling and ground geophysical results that indicate the potential for a significant strike extension to the gold mineralised structure at the Ayers Rock Prospect and the identification of five other areas with poly-metallic soil responses that warrant further exploration.

The Ayers Rock Prospect occurs in Impact's 100% owned Clermont Gold Project (EPM14116 and EPM14117) located about 40 km south east of Clermont in the Drummond Basin of Central Queensland.

The Clermont Project forms part of Impact's extensive ground holdings of about 5,000 sq km in the Drummond Basin, 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. The Basin contains the Vera-Nancy-Pajingo mining centre and the dormant gold mines at Yandan, Mt Coolon, Wirralie and Twin Hills.

Previous exploration in the Clermont Project area identified about ten prospects, the most advanced of which is the Ayers Rock Prospect where drilling was targeted at IP resistivity anomalies (regarded as indicators of buried resistive vein quartz), that are partly coincident with poorly outcropping vein quartz.

One such linear resistivity anomaly was drilled on sections ranging from 50 m to 200 m apart along 2,000 m of strike for a total of 66 RC drill holes and 6,487 metres (see Figure). Many of these holes intersected widespread silica-sericite-pyrite alteration and low grade gold (0.1 g/t to 0.5 g/t). Within these broad zones there were some narrow high-grade intersects associated with quartz veins. Several holes had intersects of interest including:

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- ARC008: 22 m @ 1.1 g/t from 60 m depth;
- ARC009: 32 m @ 3.8 g/t from 22 m, including 2 m@ 32.8 g/t from 22 m and 2 m @ 18.9 g/t from 50 m;
- CAR003: 22m at 1.7 g/t from 20 m, including 1 m at 8.5 g/t from 38 m; and
- CAR005: 6 m at 5.1 g./t from 40 m depth.

Since listing Impact has completed the following work over a 3 km by 2 km sized area centred over the Ayers Rock Prospect:

- Detailed mapping at a scale of 1:5,000;
- Sub-Audio Magnetic (SAM) and associated magnetic ground geophysical surveys; and
- Detailed soil sampling at a spacing of 100 m by 50 m.

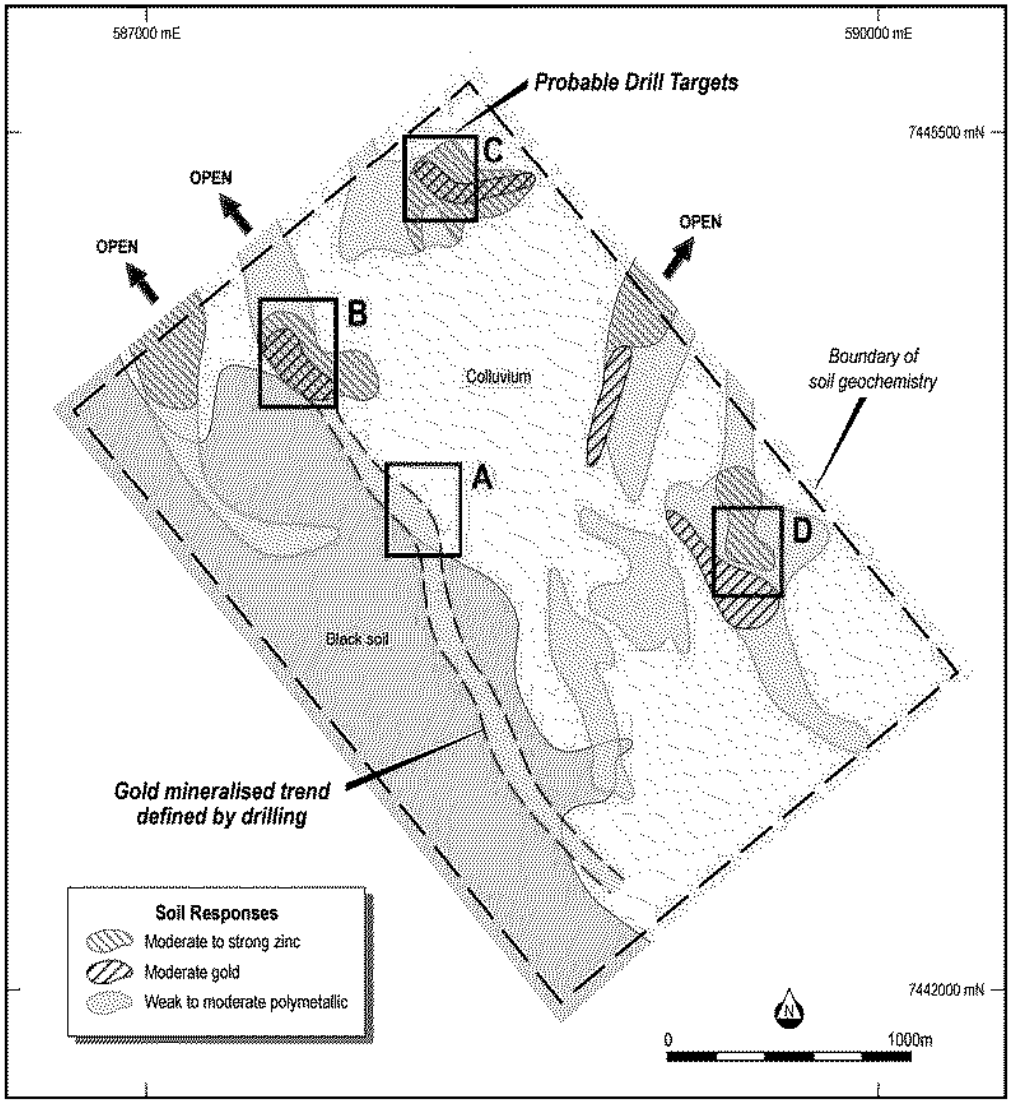
In addition all previous exploration data has been compiled and mineral alteration studies completed on drill chips retrieved from previous explorers.

Impact's work has identified four areas that warrant drilling (see Figure):

1. Area A: The mineral alteration studies have shown that the mineralisation intersected by previous drilling occurs relatively high within an epithermal gold system and that deeper drilling to at least 200 m below surface is warranted in this area;
2. Area B: A 500 m strike extension of the main Ayers Rock structure with very strong gold responses up to 186 times background and zinc responses up to 850 times background. The anomaly is adjacent to isolated magnetic anomalies and is open to the north west;
3. Area C: An area 500 m by 600 m in size with moderate gold responses up to 37 times background and moderate to strong zinc responses up to 103 times background; and
4. Area D: An area up to 700 m x 200 m in size with moderate to strong zinc responses up to 64 times background and weak to moderate gold responses up to 23 times background.

All four of these areas occur within larger trends with variable weak to moderate responses in copper, lead, silver and cadmium. The poly-metallic nature of the soil responses is interpreted to indicate that a deeper part of the mineralised system could be present close to surface, possibly near a magmatic source rock.

In addition elevated zinc, cadmium, silver, lead and gold responses define two other trends up to 1 km long. These trends are open along strike and warrant further work to define drill targets.
A drill rig has been secured and a programme of about 2000 m of RC drilling is due to commence in late June. The exact number and positioning of the drill holes are being planned.



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 and full time employee of the Company. 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 this report of the matters based on his information in the form and context in which it appears.