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IMPACT MINERALS LIMITED

ASX ANNOUNCEMENT

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MEDIA RELEASE

PROSPECTUS LODGED FOR INVICTUS GOLD LIMITED IPO

Impact Minerals Limited has released the attached statement regarding the lodgement of the prospectus for Invictus Gold Limited's Initial Public Offering (IPO).

On the 25th October 2010 Impact announced it would spin-out its extensive gold tenement portfolio in Queensland into an new company Invictus Gold Limited, in a proposed Initital Public Offering (IPO) and listing on the ASX.

Impact is now pleased to advise that the prospectus for the Invictus IPO was lodged with ASIC on Friday 10th December 2010.

Copies of the prospectus can be obtained via the following link: http://www.invictusgold.com.au/prospectus.html

Invictus Gold is offering 17.5 million ordinary shares at A$0.20 each to raise $3.5 million. The Offer includes two free attaching options exercisable at A$0.20 each and two free attaching options exercisable at A$0.25 each, granted for every five shares issued. Both sets of options will be listed.

Impact, which is vending all of the projects into the float, will retain a direct interest of up to 48% in the new gold explorer.

Priority Offer to Eligible Impact Shareholders

Invictus is inviting Impact Shareholders registered at the date of the Prospectus to become shareholders of Invictus and have reserved for priority application a pool of up to 5,000,000 shares ($1,000,000). Further details can be found in the prospectus.

Michael Jones

Dr Michael G Jones
Managing Director

Market Cap
A$11.2 m ($0.096 p/s)

Issued Capital
117,403,328

Directors

Peter Unsworth
Chairman

Michael Jones
Managing Director

Rodney Fripp
Executive Director

Paul Ingram
Non-Executive Director

Mark Pitts
Company Secretary

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Updated Media Release for approval

Friday 10 December, 2010

$3.5M "INVICTUS GOLD" IPO FOCUSES ON POTENTIAL OF FIVE QUEENSLAND GOLD PROJECTS

A $3.5 million Initial Public Offer (IPO) to exploit the gold potential of five projects in Queensland has been launched by project owner, Perth-based Impact Minerals Limited (ASX: "IPT").

At the heart of the **Invictus Gold Limited** offering are three large and strategic landholdings in the Drummond Basin south of Charters Towers, prospective for world-class deposits of gold, gold-silver and gold-copper; the Killarney gold-silver-copper project west of Mackay; and the Moly King gold-molybdenum and tin project southwest of Brisbane.

Invictus Gold is offering 17.5 million ordinary shares at A$0.20 each to raise $3.5 million.

The prospectus was lodged with ASIC on Friday 10th December 2010.

The Offer includes two free attaching options exercisable at A$0.20 each and two free attaching options exercisable at A$0.25 each, granted for every five shares issued. Both sets of options will be listed.

Shareholders in Impact Minerals will have priority entitlement to 5 million shares ($1 million) of those comprising the total Offer.

Patersons Securities Limited is acting as Lead Manager for the Invictus IPO and listing.

Impact, which is vending all of the projects into the float, will retain a direct interest of up to 48% in the new gold explorer.

"We intend to launch a vigorous exploration program once listed but will also be looking to identify and acquire additional but advanced gold projects," Impact and Invictus Gold Chairman, Mr Peter Unsworth, said today.

"Strategically, the prospectus outlines an early drilling program. We are keen to get back onto the ground at a time of sustained robustness in the global gold price and ongoing investor enthusiasm in the gold sector generally," Mr Unsworth said.

Terms of the Offer

Invictus (*the Latin word for "Unconquerable"*) will have between 33.5 million and 36 million ordinary shares at listing, capitalising the explorer on listing at a minimum of A$6.7 million. There is no minimum subscription and there is provision for oversubscriptions of 2.5 million shares for a further $500,000.

Impact will own 16.0 million shares and 12.8 million options within that total holding as consideration for vending the assets into the float.

The total number of options on issue at successful completion of the Offer, including up to 16 million directly associated with the share offer, will be 35.05 million with various exercise dates extending to 30 November, 2015.

The Offer is due to open this Friday, December 17, 2010 and is scheduled to close on Friday, 14 January, 2011, with a planned listing on the ASX in late January.

Strong early exploration push

Invictus plans an aggressive exploration program in its opening term, scheduling in each of the first two years from listing, at least $1.4 million for such work.

"In the past few years, we have generated a large number of exciting targets for large tonnage gold deposits in Queensland and a number of those are ready for maiden drilling," Impact and Invictus' Managing Director, Dr Mike Jones, said.

"We have applied some innovative exploration concepts for gold to the project areas and conducted thorough reviews of previous exploration data to identify the targets. The intention now is to drill the higher ranked ones shortly after the listing of Invictus Gold," Dr Jones said.

At the **Drummond West** and **Drummond East** projects, five previously unrecognised porphyry centres ideal for bulk tonnage porphyry style gold-copper and gold-copper molybdenum deposits, are proposed for drilling. The structures are similar to those in NSW's Lachlan Fold Belt which hosts such gold mines as Cadia Hill. The project area also hosts 20 other prospects.

Invictus proposes early drilling of three targets at the **Clermont** project north of Emerald. The targets are prospective for major deposits of bonanza grade gold in robust high level epithernmal veins. A further 10 targets have been identified for further work.

At the **Killarney** project northwest of Rockhampton, eleven porphyry intrusive centres have been identified for followup work, some with significant previous drill intercepts. The project is particularly prospective for bulk mineable deposits of gold-silver-copper, such as the recently discovered nearby two million ounce plus Silver Hills high sulphidation epithermal gold silver copper deposit.

The fifth project in the Invictus IPO asset portfolio, the **Moly King** project near Stanthorpe on the NSW border, features widespread and numerous gold, tin and molybdenum occurrences, including drill intercepts of up to 28 metres at 500 parts per million molybdenum.

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Invictus Gold's Queensland Projects in detail

The Queensland tenements fall into three separate project areas:

1. The **Drummond Basin Project**, 150 km south of Charters Towers, comprising 12 tenements, Drummond East (EPM's 14927-929 and EPMA's 16440 and 16446), Drummond West (EPM's 14932-934 and EPMA's 16381, 16527, 16986 and 18411) and Clermont (EPMs 14116 and 117) will be explored primarily for large tonnage porphyry-style gold-copper and gold-copper-molybdenum deposits. Eight priority targets have been identified.

   Although the Drummond Basin is host to many epithermal vein and stockwork deposits including the Vera-Nancy-Pajingo active mining centre, which has yielded about 4 million ounces of gold, there has been little exploration for porphyry-style deposits. This is because much of the geology is poorly exposed and the area has not received the detailed exploration accorded to say, the Kalgoorlie goldfields in Western Australia or to the Lachlan Fold Belt in New South Wales. This is despite the fact that, even with the Lachlan Fold Belt, there are indications of porphyry mineralisation in several places, for example, the recently discovered Anthony porphyry molybdenum deposit.

   This porphyry potential is largely concealed beneath the overlying rocks that act as host to the epithermal deposits, and beneath regolith.

2. The **Killarney Project,** 150 km east of the Drummond Basin Project, and comprising five tenements (EPM 166630 and EPMA's 16551, 17138, 18251and 16630) is prospective for analogues of the recently discovered, high sulphidation gold-silver-copper Silver Hills deposit near Collinsville in central Queensland. Here there is a resource of about 26 Mt at 1.7 g/t gold, 44 g/t silver and 0.3% copper. This is the first discovery of this style of deposit In Queensland and the Killarney Project has a very similar geological setting to that around Silver Hills.

   The Killarney project area contains a number of historical prospects, some with drill intercepts of gold, and large areas of mineral alteration assemblages. This is suggestive of an unrecognised major mineralising system at Killarney.

3. The **Moly King** Project, near the historical tin mining centre of Stanthorpe which produced 50,000 tonnes of tin, and comprising three tenements, (EPM16500 and EPMA's 16499 and 18250) is prospective for so-called Intrusive-Related Gold (IRG) deposits, a class of gold deposits only recognised in the past decade; as well as large tin deposits.

INVICTUS - THE STORY BEHIND THE COMPANY'S CHOICE OF NAME

As well as being Latin for "Unconquerable" (the attitude Directors intend to apply to Invictus' exploration focus) it is also the title of arguably the best-remembered work by English poet, William Ernest Henley, and written in 1875. It is said that this was written as a passionate and defiant demonstration of Henley's resilience following the amputation of his foot due to tubercular infection.

Invictus

Out of the night that covers me,
Black as the Pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.

In the fell clutch of circumstance
I have not winced nor cried aloud.
Under the bludgeonings of chance
My head is bloody, but unbowed.

Beyond this place of wrath and tears
Looms but the Horror of the shade,
And yet the menace of the years
Finds, and shall find, me unafraid.

It matters not how strait the gate,
How charged with punishments the scroll.
I am the master of my fate:
I am the captain of my soul.

William Ernest Henley