

IMPACT MINERALS LIMITED
(and Controlled Entities)

ABN 52 119 062 261

HALF-YEAR FINANCIAL REPORT
31 December 2025

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2025.

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Peter Unsworth – Non-Executive Chairman (resigned 31 July 2025)
- Michael Jones – Managing Director
- Paul Ingram – Non-Executive Director (became Chairman effective 1 August 2025)
- Frank Bierlein – Non-Executive Director
- Scott Phegan – Executive Director (appointed 12 December 2025)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial half-year was to continue works to progress the right to earn an 80% interest in the Lake Hope High Purity Alumina Project and exploration for deposits of nickel, gold, copper and platinum group elements mostly within Western Australia.

REVIEW OF OPERATIONS

The six months to December 2025 has been one of the most strategically significant periods in Impact Minerals' history. We have moved meaningfully beyond the role of explorer and are actively building the architecture of a vertically integrated, downstream-focused high purity alumina (HPA) business, one with genuine competitive advantages in feedstock, process technology, and market access.

Our flagship Lake Hope HPA Project continued to advance through the completion of the Pre-Feasibility Study, while the acquisition of a 50% interest in Alluminous Pty Ltd and its proprietary HiPurA® process has materially changed the strategic direction for our HPA pathway. At Broken Hill, a disciplined review of historical data has rekindled genuine excitement about the project's potential for high-grade PGM and base metal discovery. And at Commonwealth, we have secured a well-credentialled joint venture partner in Kuniko Limited to advance a project with world-class discovery potential.

We enter the second half of the financial year with renewed momentum, a sharper strategic focus, and a growing suite of partnerships that we believe will accelerate our path to production.

1. Lake Hope High Purity Alumina Project, WA (IPT 80%)

Strategic Overview

Lake Hope remains the cornerstone of Impact's growth strategy. The project's proposition is compelling: a natural aluminous feedstock located 550 km east of Perth, a Low-Temperature Leach (LTL) processing pathway with comparatively modest capital requirements, and a process plan to be strategically positioned in Kwinana, one of Australia's premier industrial precincts.

The Pre-Feasibility Study has demonstrated the scale of the opportunity, pointing to a benchmark production rate of 10,000 tonnes per annum of HPA and a pathway to becoming one of the lowest-cost HPA producers globally.

Test Work & CRC-P Grant

A significant milestone was achieved in the December quarter when bench-scale membrane crystallisation of potash, produced as a by-product from Stage 1 of Impact's patented HPA process, was successfully completed. This development is expected to lead to reduction in both capital and operating expenditure, further strengthening the project's economics.

This work is being conducted under a \$2.87 million CRC-P grant awarded in October 2024, in collaboration with CPC Engineering and the Mineral Recovery Research Centre (MRRRC) at Edith Cowan University. This government-backed partnership not only de-risks the commercialisation pathway but signals broader institutional confidence in the project's technical and commercial viability.

Initial test work was also conducted on the solid residue from Stage 1 processing as a potential feedstock for the HiPurA® process — a key early step in evaluating integration opportunities between the Lake Hope ore body and Alluminous' downstream technology.

Product Development & Offtake

A marketing and product development team is being assembled. Early-stage discussions have been held with existing ceramic and alumina producers in Europe and the United States with a view to potential commercial synergies. A pilot plant is being progressed to produce HPA samples of consistent quality for potential offtake partners.

The global HPA market context is supportive. Peer company Alpha HPA Limited (ASX: A4N) recently received \$400 million in Australian Government funding toward a full-scale HPA plant, a clear signal of sustained federal and state commitment to critical minerals and downstream processing, a sector in which Impact is well positioned to participate.

2. Alluminous Pty Ltd (IPT 50%), A Step Change in HPA Strategy

The HiPurA® Acquisition

The acquisition of a 50% interest in Alluminous Pty Ltd, completed in April 2025, represented a strategic inflection point for Impact. The HiPurA® process, a modular, hydrometallurgical technology capable of producing battery-grade HPA, provides Impact with a downstream production capability that potentially complements and materially enhances the Lake Hope feedstock project.

Management believes the integration of Lake Hope ore and the HiPurA® process has the potential to accelerate Impact's entry into the HPA market by several years compared to a standalone Lake Hope development. The PFS, while completed on a standalone basis, did not capture these integration benefits, meaning the combined opportunity may be considerably more valuable than either project in isolation.

Technology Collaboration with C4V

During the December quarter, Alluminous signed a Technology Collaboration Agreement with Charge CCCV LLC (C4V), a U.S.-based battery technology innovator, to jointly develop and qualify HiPurA® HPA for advanced battery applications. This is a material step in Alluminous' commercialisation strategy and a significant development for Impact's broader HPA ambitions.

Under the agreement, Alluminous and C4V will work together to validate HiPurA® HPA across a range of battery uses, including separator coatings, ceramic layers, solid-state components, and electrode interface materials. C4V will conduct full cell testing replicating the qualification requirements of global battery OEMs, an independent validation process expected to materially compress the timeline from pilot production to commercial readiness. The agreement is non-exclusive, allowing Alluminous to continue discussions with other downstream customers in parallel.

Battery ceramics and separator coatings are rapidly emerging as major non-sapphire markets for HPA, particularly across North America and Europe as those regions move to establish domestic battery supply chains. Through C4V's network, Alluminous gains potential access to U.S., Indian and European gigafactory networks, pathways to major battery OEMs, and visibility within supply-chain programs seeking to secure high-purity, non-Chinese sourced materials.

Pilot Plant Progress

Alluminous' pilot plant in Perth is now operational in batch mode. Further optimisation work and the transition to continuous mode operation is a key focus for the March and June 2026 quarters. Initial HiPurA® HPA sample batches are being prepared for delivery to C4V to commence the formal qualification process. The potential for a U.S. demonstration facility is also being assessed as the C4V collaboration develops.

3. Commonwealth Project, NSW (IPT 100%)

Project Overview

The Commonwealth Project comprises 565 km² in the northern Lachlan Fold Belt of New South Wales, approximately 100 km north of Orange, a region renowned for world-class mineral deposits including the Cadia-Ridgeway porphyry copper-gold mine and the Cowal epithermal gold deposit.

Impact's technical work has defined the Commonwealth deposit as a high-sulphidation, gold-rich VMS deposit, a style only formally recognised in the past 25 years, with striking geological similarities to the world-class Eskay Creek deposit in Canada. Inferred Resources at Commonwealth and Silica Hill stand at approximately 88,800 ounces of contained gold and 3.3 million ounces of contained silver, all within 250 metres of the surface and open at depth and along trend.

Kuniko Joint Venture

During the December quarter, Impact announced terms for a joint venture with Kuniko Limited (ASX: KNI) over the Commonwealth Project. The key terms are:

- Kuniko to issue 3,125,000 shares to Impact upon completion of due diligence (completed).

- Kuniko to spend \$1.5 million within two years to earn a 51% interest, and a further \$1.5 million over the following two years to earn a 70% interest.
- Impact's 30% interest to be free carried by Kuniko to a Decision to Mine.
- At a Decision to Mine, Impact may elect to contribute or dilute to a 10% interest, which converts to a 2% Net Smelter Royalty.

This structure is strategically well-constructed for Impact's shareholders. It brings a committed and well-resourced partner to an underexplored but highly prospective project, preserving meaningful upside participation for Impact without requiring Impact to fund exploration expenditure through to production decision.

4. Broken Hill Project, NSW (IPT 100%)

Renewed Exploration Focus

Impact is now the largest ground holder in the Broken Hill region, with tenements covering approximately 1,700 km² and 100 km of strike surrounding one of the world's truly great ore bodies. With elevated platinum group and base metal prices, new in-house exploration concepts, and renewed industry interest in the region, the Board has determined the time is right to resume systematic low cost exploration.

Impact's tenements are prospective for three distinct styles of mineralisation: early-stage large sedimentary or magmatic copper deposits; high-grade magmatic nickel-copper-PGM sulphides associated with late-stage ultramafic to mafic intrusions; and Broken Hill-style silver-lead-zinc mineralisation.

Platinum Springs, Grade That Commands Attention

A progressive review of historical exploration data was completed during the December quarter, with the Platinum Springs area delivering results that reinforce the project's high-grade credentials. A key historical drill hole (PSD02) returned an intercept of 0.6 metres at 7.6% copper, 7.4% nickel, 25.6 g/t palladium, 11.5 g/t platinum, 1.4 g/t gold, 44.3 g/t silver, 1.3 g/t rhodium, 1.7 g/t iridium, 2.0 g/t osmium and 0.8 g/t ruthenium from 57.4 metres down hole.

Three new mineralised channels were identified across the Plat Central and Plat East prospects, with intercepts confirming ribbon-like channel geometry analogous to the world-class Kambalda nickel deposits in Western Australia. Notably, all three channels remain open along trend and at depth. They occur along the Moorkai Trend, a 9 km host-intrusion corridor, most of which has never been drilled.

In 2020, Impact developed a proprietary multi-metal ratio technique measurable with a hand-held XRF instrument that reliably correlates with PGE grades in real time during drilling. This tool provides a meaningful operational advantage in efficiently vectoring toward high-grade zones and will be central to the next phase of exploration.

Follow-up work programs will include detailed ground EM surveys to identify priority targets ahead of further drilling.

5. Southern Sky Joint Venture (IPT 80%)

Follow-up soil geochemistry surveys were completed over the Dalgara and Jumbo projects during the December quarter, with assay results expected in the March 2026 quarter. Discussions regarding the future structure and direction of the joint venture are ongoing.

Board & Management

The appointment of Mr Scott Phegan as Executive Director during the December quarter was a strategically important addition to Impact's leadership team. Scott brings more than 30 years of global experience across the bauxite, alumina and specialty materials industries, including senior roles with Alcoa across Australia, the United States and Brazil, with direct involvement in multibillion-dollar refinery expansions and technology upgrades.

Since 2019, Scott has focused on developing new hydrometallurgical processes for high-purity materials, including HPA and rare earth extraction. He also serves on the board of Alluminous Pty Ltd alongside Managing Director Dr Mike Jones, providing a seamless connection between Impact's upstream Lake Hope development and the downstream HiPurA® commercialisation strategy. His appointment directly supports Impact's transition from developer to future producer.

Outlook

Impact Minerals enters the second half of FY2026 with a cleaner, more focused operational strategy than at any point in its recent history. Three themes define the period ahead.

Building a vertically integrated HPA business.

The combination of Lake Hope's natural feedstock, the LTL processing pathway, and the HiPurA® modular production technology through Alluminous gives Impact a uniquely integrated position across the HPA value chain. The C4V collaboration opens a credible commercial pathway into the rapidly growing battery materials market in North America and Europe.

Unlocking value from a high-quality exploration portfolio.

The Kuniko joint venture at Commonwealth and the renewed focus at Broken Hill demonstrate a disciplined approach to value realisation, bringing in partners with relevant expertise and capital while maintaining meaningful participation in future discovery and development upside.

Transitioning from developer to producer.

With the PFS nearing completion, a Mining Lease Application lodged, Alluminous' pilot plant operational, and offtake discussions underway, Impact is closer to production than at any point in its history. The focus for the months ahead is converting technical progress into commercial outcomes.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

During the half-year, the Group reported an operating loss after tax of \$3,596,309 (half-year to 31 December 2024: \$2,724,516). As at 31 December 2025, the Group had net assets of \$12,976,362 (30 June 2025: \$11,411,762), including \$2,321,624 of cash and cash equivalents (30 June 2025: \$2,451,240).

EVENTS SUBSEQUENT TO THE REPORTING DATE


No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years, except for:

On 23 January 2026, the Company entered into an agreement to purchase tenement EL8024 from Sozo Resources Pty Ltd (Sozo). Under the terms of the agreement, in consideration for Sozo transferring tenement EL8024 to the Company, Sozo will receive replacement of a \$10,000 security bond, \$25,000 in cash and \$125,000 in Impact shares valued at the 5-day VWAP as at the date of Completion and subject to a voluntary escrow period of six months.

Auditor's Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2025.

This report is signed in accordance with a resolution of the Board of Directors.



Paul Ingram

Chairman

Perth, 16 March 2026

Competent Person's Statement

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 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 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr 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.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Impact Minerals Limited for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 16th day of March 2026
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Notes	CONSOLIDATED	
		31 Dec 2025 \$	31 Dec 2024 \$
Interest and other income	3	57,813	562,850
		57,813	562,850
Employee benefits expense		(893,776)	(439,596)
Corporate and administration expenditure		(758,430)	(762,969)
Depreciation and amortisation expense		(57,066)	(54,867)
Occupancy expense		(2,747)	(3,135)
Financing expense		(15,233)	(19,287)
Share of loss in associate	9	(404,692)	-
Exploration expenditure		(30,754)	-
Impairment of exploration expenditure	8	(1,491,424)	(2,007,512)
Loss before income tax expense		(3,596,309)	(2,724,516)
Income tax expense		-	-
Net Loss from continuing operations		(3,596,309)	(2,724,516)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets	7	(4,375)	18,000
Other comprehensive income (net of tax)		(4,375)	18,000
Total comprehensive loss for the period		(3,600,684)	(2,706,516)
Total comprehensive loss attributable to the owners of Impact Minerals Limited		(3,600,684)	(2,706,516)
Loss attributable to the owners of Impact Minerals Limited		Cents per share	Cents per share
Basic Profit/(Loss) per share ¹	15	(0.86)	(0.89)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

¹ – Loss per share comparative has been restated as if the 10:1 share consolidation occurred at the start of the comparative period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	CONSOLIDATED	
		31 Dec 2025 \$	30 Jun 2025 \$
Current Assets			
Cash and cash equivalents	4	2,321,624	2,451,240
Trade and other receivables		48,961	36,750
Other current assets	5	1,125,748	43,436
Assets held for sale	6	-	250,000
Total Current Assets		3,496,333	2,781,426
Non-Current Assets			
Financial assets at fair value through other comprehensive income	7	235,625	14,250
Property, plant and equipment		23,310	32,145
Exploration expenditure	8	8,146,765	7,360,440
Right of Use Assets		217,297	262,255
Other non-current assets		229,000	266,000
Investment in associate	9	1,318,166	1,472,858
Total Non-Current Assets		10,170,163	9,407,948
TOTAL ASSETS		13,666,496	12,189,374
Current Liabilities			
Trade and other payables		294,151	315,280
Short-term provisions		117,625	139,207
Lease Liabilities		99,264	91,820
Total Current Liabilities		511,040	546,307
Non-Current Liabilities			
Lease Liabilities		179,094	231,305
Total Non-Current Liabilities		179,094	231,305
TOTAL LIABILITIES		690,134	777,612
NET ASSETS		12,976,362	11,411,762
EQUITY			
Issued capital	10	76,451,776	71,223,658
Option reserve	10	1,220,796	2,265,333
Financial asset reserve	11	(50,625)	(46,250)
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Accumulated losses		(63,484,519)	(60,869,910)
TOTAL EQUITY		12,976,362	11,411,762

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Issued capital \$	Option reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	66,432,353	1,656,930	(71,250)	(1,161,069)	(51,872,463)	14,984,501
Loss for the period	-	-	-	-	(2,724,516)	(2,724,516)
Other comprehensive income	-	-	18,000	-	-	18,000
Total comprehensive loss for the half-year	-	-	18,000	-	(2,724,516)	(2,706,516)
Transactions with owners in their capacity as owners						
Share issue costs	(5,660)	-	-	-	-	(5,660)
Fair value of performance rights issued	-	268,579	-	-	-	268,579
Balance at 31 December 2024	66,426,693	1,925,509	(53,250)	(1,161,069)	(54,596,979)	12,540,904
Balance at 1 July 2025	71,223,658	2,265,333	(46,250)	(1,161,069)	(60,869,910)	11,411,762
Loss for the period	-	-	-	-	(3,596,309)	(3,596,309)
Other comprehensive income	-	-	(4,375)	-	-	(4,375)
Total comprehensive loss for the half-year	-	-	(4,375)	-	(3,596,309)	(3,600,684)
Transactions with owners in their capacity as owners						
Shares issued	5,060,000	-	-	-	-	5,060,000
Share issue costs	(321,382)	-	-	-	-	(321,382)
Fair value of options issued	-	427,217	-	-	-	427,217
Fair value of performance rights issued	-	260,446	-	-	-	260,446
Transferred to Issued Capital upon exercise	380,000	(380,000)	-	-	-	-
Transfer to retained earnings upon expiry/lapse of options	109,500	(1,091,200)	-	-	981,700	-
Transfer to exploration expenditure upon expiry/lapse of options	-	(261,000)	-	-	-	(261,000)
Balance at 31 December 2025	76,451,776	1,220,796	(50,625)	(1,161,069)	(63,484,519)	12,976,362

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Notes	CONSOLIDATED	
		31 Dec 2025 \$	31 Dec 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,095,380)	(958,434)
Interest received		28,501	52,212
Interest paid		-	(19,287)
R&D Tax Incentive Refund		-	512,427
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(1,066,879)	(413,082)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,273)	(11,740)
Payments for exploration activities		(1,573,833)	(1,805,142)
Loan provided to associate	9	(250,000)	-
Investment in term deposits	5	(1,055,250)	-
Proceeds from the sale of Financial assets at fair value through other comprehensive income		-	50,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,882,356)	(1,766,882)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	10a	4,100,000	-
Share issue costs		(280,381)	(5,659)
Repayment of Lease Liabilities		-	(38,213)
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,819,619	(43,872)
Net increase/(decrease) in cash and cash equivalents		(129,616)	(2,223,836)
Cash and cash equivalents at beginning of the period		2,451,240	3,422,215
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,321,624	1,198,379

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim report is intended to provide users with an update on the latest annual financial statements of Impact Minerals Limited and its controlled entities (the consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2025, together with any public announcements made during the half-year.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial statements have been prepared on the historical cost basis, except where stated. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

b) New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2025.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

c) Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group generated a loss for the period of \$3,596,309 (2024: loss of \$2,724,516) and net cash outflows from operating activities of \$1,066,879 (2024: \$413,082). As at 31 December 2025 the Consolidated Group had a cash balance of \$2,321,624 (30 June 2025: \$2,451,240).

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2: SEGMENT REPORTING

Management has determined that the Group has one material reportable segment, being mineral exploration in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 3: INTEREST AND OTHER INCOME

	31 Dec 2025 \$	31 Dec 2024 \$
Interest income	52,733	46,046
R&D Tax Incentive Refund	-	512,426
Other income	5,080	4,378
	57,813	562,850

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2025 \$	30 Jun 2025 \$
Cash at bank and on hand	1,071,624	2,395,990
Short-term deposits	1,250,000	55,250
	2,321,624	2,451,240

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 5: OTHER CURRENT ASSETS

	31 Dec 2025	30 Jun 2025
	\$	\$
Term deposits with maturity over 3 months	1,055,250	-
Prepayments	64,948	37,886
Deposits	5,550	5,550
	1,125,748	43,436

NOTE 6: ASSETS HELD FOR SALE

	31 Dec 2025	30 Jun 2025
	\$	\$
Opening balance	250,000	1,782,037
Earn out of Commonwealth Project	(250,000)	-
Sale of Blackridge Exploration Pty Ltd	-	(342,942)
Impairment of Commonwealth Project	-	(1,189,095)
Tenements held for sale	-	250,000

In July 2025 the SPA between the Company and Burrendong Minerals Pty Ltd lapsed.

In September 2025 the Company entered into an Earn-In and Joint Venture agreement with Kuniko Limited (Kuniko), whereby the material key terms are:

- Following a due diligence period of two weeks, Kuniko to issue 3,125,000 shares to Impact, with 50% escrowed for 6 months and 50% escrowed for 12 months. The deemed value of these shares is \$250,000 and therefore the Commonwealth project was impaired down to this value.
- Kuniko to spend \$1.5 million within two years to earn a 51% interest in the project, and a further \$1.5 million within another two years to earn a 70% interest.
- Kuniko to free-carry Impact's 30% interest up to a Decision to Mine.
- At a Decision to Mine Impact to elect to either contribute or dilute to 10% which will then convert to a 2% Net Smelter Royalty.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 7: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 Dec 2025 \$	30 Jun 2025 \$
Opening balance	14,250	78,750
Acquisitions	225,750	-
Disposals	-	(89,500)
Change in fair value	(4,375)	25,000
Closing balance	235,625	14,250

During the period, the Company received 3,125,000 shares in Kuniko Limited as part of the earn-out agreement with Kuniko Limited for the Commonwealth Project.

The fair value of listed financial assets at fair value through other comprehensive income has been determined directly by reference to published price quotations in an active market, with movement in fair value recognised in other comprehensive income.

NOTE 8: EXPLORATION EXPENDITURE

	31 Dec 2025 \$	30 Jun 2025 \$
Opening balance	7,360,440	9,813,877
Exploration expenditure incurred during the year	1,582,113	2,832,906
Playa One Pty Ltd acquisition costs ¹	956,637	-
Broken Hill Project acquisition costs	-	274,999
Impairment of Arkun Project	(595,848)	(3,391,483)
Impairment of Commonwealth Project	-	(1,275,517)
Impairment of Broken Hill Project	-	(161,582)
Impairment of Doonia Project	(759)	(169,952)
Impairment of other Projects	(894,818)	(562,808)
Transfer from option reserve upon expiry/lapse of options	(261,000)	-
Closing balance	8,146,765	7,360,440

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

¹ -In July 2025 the Company issued 120,000,000 new shares as the Company exercised its option to acquire an 80% interest in Playa One Pty Ltd, the holder of the Lake Hope Project.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 9: EQUITY METHOD ASSETS

	31 Dec 2025 \$	30 Jun 2025 \$
Opening balance	1,472,858	-
Alluminous Pty Ltd investment	250,000	1,612,000
Equity accounting entry for share of loss in associate	(404,692)	(139,142)
	1,318,166	1,472,858

During the period, the Company provided an unsecured, interest-free loan of \$250,000 to associate Alluminous Pty Ltd, which will convert into shares in Alluminous Pty Ltd upon the next capital raising, scheduled for March 2026 and still holds 50% of the Issued Capital in Alluminous Pty Ltd.

NOTE 10: ISSUED CAPITAL

	31 Dec 2025 \$	30 Jun 2025 \$
Ordinary shares fully paid	76,451,776	71,223,658

a) Movements in ordinary shares on issue

	HALF-YEAR ENDED 31 DEC 2025		YEAR ENDED 30 JUN 2025	
	No.	\$	No.	\$
At the beginning of the period	3,955,329,969	71,223,658	3,059,433,718	66,432,353
- Director and employee performance rights conversion	37,999,999	380,000	-	-
- Playa One share issue ^(a)	120,000,000	960,000	-	-
- Placement ^(b)	630,769,231	4,100,000	-	-
- 10-1 equity consolidation ^(b)	(4,269,690,170)	-	-	-
- BHA No1 Pty Ltd share issue ^(c)	-	-	37,774,040	275,000
- Rights Issue ^(d)	-	-	858,122,211	5,148,733
- Expiry of Lead Manager options	-	(109,500)	-	-
- Transaction costs	-	(321,382)	-	(632,428)
At the end of the period	479,409,029	76,451,776	3,955,329,969	71,223,658

(a) In July 2025 the Company issued 120,000,000 new shares as the Company exercised its option to acquire an 80% interest in Playa One Pty Ltd, the holder of the Lake Hope Project.

(b) In October 2025, the Company raised \$4,100,000 (before costs) via a placement of 630,769,231 new shares at an issue price of \$0.65 cents each.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

b) Movements in options and performance rights on issue

	HALF-YEAR ENDED 31 DEC 2025		YEAR ENDED 30 JUN 2025	
	No.	\$	No.	\$
At the beginning of the reporting period	865,548,713	2,265,333	323,000,000	1,656,930
Options issued - unlisted	130,000,000	463,222	545,548,713	96,625
Options issued - listed	41,000,000	41,000	-	-
Options expired	(248,000,000)	(1,352,200)	(3,000,000)	(21,000)
Performance rights granted - unlisted	-	260,446	-	532,778
Performance rights converted - unlisted	(37,999,999)	(380,000)		
10-1 equity consolidation	(675,494,180)	-		
At the end of the reporting period	75,054,534	1,220,796	865,548,713	2,265,333

NOTE 11: FINANCIAL ASSET RESERVE

	31 Dec 2025	30 Jun 2025
	\$	\$
Financial asset reserve		
Opening balance	(46,250)	(71,250)
Financial assets at fair value through other comprehensive income (Note 6)	(4,375)	25,000
Closing balance	(50,625)	(46,250)

NOTE 12: SHARE BASED PAYMENTS

There were the following new issues of share based payments during the half year:

On 5 December 2025 the Company issues and allotted 41,000,000 IPOOC using IPTOC share price on the day of \$0.001, 40,000,000 unquoted options to directors \$118,836 and 90,000,000 unquoted options to staff \$267,381.

The share-based payment expense for the half-year was \$646,663 (2024: \$268,579).

The following share-based payment arrangements were in existence during the reporting period:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Security series	Number	Type of security	Issue date	Expiry date	Vesting date	Exercise price	Fair value at grant date
45 ⁽¹⁾	83,000,000	Option	30 Nov 2021	31 Oct 2025	Immediate	\$0.0217	\$0.007
47 ⁽¹⁾	1,000,000	Option	21 Apr 2022	31 Oct 2025	18 Mar 2023	\$0.024	\$0.0084
47 ⁽¹⁾	3,000,000	Option	21 Apr 2022	31 Oct 2025	18 Mar 2024	\$0.024	\$0.0084
50 ⁽¹⁾	53,000,000	Option	24 Nov 2022	30 Nov 2025	Immediate	\$0.0125	\$0.0057
51 ⁽¹⁾	32,000,000	Option	7 Dec 2022	30 Nov 2025	6 Dec 2023	\$0.0125	\$0.005
52 ⁽¹⁾	30,000,000	Option	17 Aug 2023	1 Dec 2025	4 May 2024	\$0.0112	\$0.0087
53a	45,666,664	Performance Right	19 Dec 2023	18 Dec 2026	19 Dec 2025	\$Nil	\$0.01
53b	45,666,667	Performance Right	19 Dec 2023	18 Dec 2027	19 Dec 2025	\$Nil	\$0.01
53c	45,666,669	Performance Right	19 Dec 2023	18 Dec 2027	19 Dec 2026	\$Nil	\$0.01
54 ⁽¹⁾	15,000,000	Option	1 Jul 2024	1 Oct 2025	Immediate	\$0.027	\$0.0043
55a	36,327,363	Option	28 Mar 2025	28 Sept 2027	Immediate	\$0.015	\$0.02
55b	8,810,000	Option	8 May 2025	28 Sept 2027	Immediate	\$0.015	\$0.02
55c	6,350,000	Option	16 May 2025	28 Sept 2027	Immediate	\$0.015	\$0.01
56 ⁽²⁾	41,000,000	Option	5 Dec 2025	28 Sept 2027	Immediate	\$0.015	\$0.01
57	130,000,000	Option	5 Dec 2025	5 Dec 2028	Immediate	\$0.008	\$0.00297

(1) Expired during the reporting period.

(2) 41,000,000 listed share options issued to the Lead Managers as part consideration for completing the private placement in October 2025.

The inputs for options granted during the half year ended 31 December 2025 are as follows:

Inputs	Issue 56	Issue 57
Exercise price	\$0.015	\$0.008
Grant date	5 December 2025	5 December 2025
Expiry date	28 September 2027	5 December 2028
Share price at grant date	N/A	\$0.005
Expected price volatility	N/A	109.70%
Risk-free interest rate	N/A	3.74%
Expected dividend yield	N/A	0%
Listed option price on the date of issue	\$0.01	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 13: CONTINGENCIES

There has been no change in contingent liabilities or assets since the annual reporting date.

NOTE 14: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), the *Mining Act 1992* (New South Wales) and the *Mineral Resources Act 1989* (Queensland) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

As at the reporting date, there has been no material change in the commitments since 30 June 2025.

NOTE 15: EARNINGS PER SHARE

	Half-year ended 31 Dec 2025 Cents	Half-year ended 31 Dec 2024 Cents
Basic profit/(loss) per share	(0.86)	(0.89)

The following reflects the income and share data used in the calculations of basic profit/(loss) per share:

	Half-year ended 31 Dec 2025 \$	Half-year ended 31 Dec 2024 \$
Profit / (Loss) used in calculating basic earnings per share	(3,596,309)	(2,724,516)

	Half-year ended 31 Dec 2025 Number	Half-year ended 31 Dec 2024 Number (restated)
Weighted average number of ordinary shares used in calculating basic loss per share	418,261,764	305,943,372

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

As per accounting standards the earnings per share for the comparative period has been restated as if the 10-1 share consolidation occurred in that period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 16: EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years, except for:

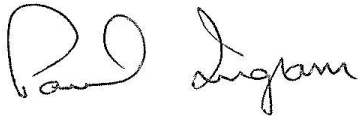
On 23 January 2026, the Company entered into an agreement to purchase tenement EL8024 from Sozo Resources Pty Ltd (Sozo). Under the terms of the agreement, in consideration for Sozo transferring tenement EL8024 to the Company, Sozo will receive replacement of a \$10,000 security bond, \$25,000 in cash and \$125,000 in Impact shares valued at the 5-day VWAP as at the date of Completion and subject to a voluntary escrow period of six months.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- a) The financial statements and notes of Impact Minerals Limited for the half-year ended 31 December 2025 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) In the Directors' option, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Paul Ingram

Chairman

Perth, Western Australia

16 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMPACT MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Impact Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$3,596,309 during the half year ended 31 December 2025. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 16th day of March 2026
Perth, Western Australia