

1 October 2012

IMX Resources Reports Results of Updated Preliminary Economic Assessment (PEA) on Ntaka Hill Project

Highlights

- Estimated C1 cash costs of USD 5.00 per pound of payable nickel which is mid range for global nickel producers
- Clear cash operating margin demonstrated over various metal price assumptions, including current spot price
- Estimated mine life of approximately 15 years
- Average annual contained nickel production of 10,000 to 15,000 tonne per annum
- Confirmed pre-production capital investment of USD 227M
- NPV of USD 212M after tax based on 2011 PEA metal pricing (compared to USD 207M)
- NPV of USD 147M using three-year trailing average prices in line with US SEC guidelines which compares favourably to the 2011 PEA analysis (USD 122M) using these same metal prices

Upside

- Potential increase in both grade and tonnage at Sleeping Giant from: (i) in-fill drilling of near surface hanging wall mineralisation to the north, and (ii) extension drilling targeting down plunge higher grade core
- Potential for delineation of new near surface mineralised zones close to the existing resources, currently being drill-tested
- Optimisation of flotation conditions is likely to improve the already excellent metallurgical performance. A definitive test work program, which includes extensive variability testing, is currently underway
- Future optimisation of the mining plan as part of a PFS, has potential to reduce up-front stripping requirements and defer cash flow for mining activities

IMX Resources Limited (ASX/TSX:IXR, TSX:IXR.WT, 'IMX' or the 'Company') has received the results of the updated preliminary economic assessment (PEA; Scoping Study) for the development of the Ntaka Hill Nickel Sulphide Project ('Ntaka Hill' or the 'Project'). The Project is located approximately 250km west of the port town of Mtwara, and is part of the 100% owned Nachingwea property in south eastern Tanzania.

Managing Director Neil Meadows said *"It is encouraging to note that even at the current low spot metal prices there is an estimated healthy cash operating margin which indicates a potentially robust project at the range of prices to be expected in the highly volatile nickel market."*

"The work carried out for the updated PEA was aimed at de-risking the Project in order to allow the Company to make an informed commitment to more detailed evaluation and development in the second quarter of next year. The ongoing program of drilling at Ntaka Hill, environmental permitting and definitive metallurgical test work together with a mineral resource update will be completed in the first quarter of 2013."

The updated PEA is based on information collected over the past year which includes the updated March 2012¹ resource, a more thorough preliminary investigation of possible mining methods, additional metallurgical and infrastructure studies, and environmental investigations and permitting activities. Two options continue to be considered: (i) open pit mining only, and (ii) open pit mining with underground mining of the Sleeping Giant Zone. Both options are identical for the initial production period. Project highlights and key potential economic outcomes for both of the options considered by the PEA are detailed in the following tables.

Table 1 – Highlights of Project and Economic Outcomes

Parameter	All Open Pit	Open Pit with Underground
Mining		
Initial processing rate, Mtpa	1.0	1.0
Expanded processing rate, Mtpa	4.8	1.85
Total mill feed, Mt	57.3	21.1
Total open pit material mined, Mt	410.0	142.2
Total underground material mined, Mt	-	4.7
Strip ratio	6.16	5.95
Production		
Average Feed Grade, %Ni	0.48	0.79
Average Ni Recovery, %	75.2	79.7
Average Concentrate Grade, %Ni	16.2	16.2
Concentrate Contained Ni, lbs'000	454,036	293,486
Capital Costs		
Initial Capital Cost, US\$M	225.1	227.0
Total Capital Cost, US\$M	551.1	450.3
Unit Production Costs, C1² US\$/lb. payable Ni	5.77	5.00
Metal Price Assumption (based on 3 year trailing average)		
Nickel, USD/t	20,826	20,826
Copper, USD/t	7,976	7,976
Economic Outcomes, US\$M		
Net after-tax cash flow	532	406
After-tax internal rate of return, %	12.1	19.2
After-tax NPV ³ @ 8% discount rate	90	147

Note: All cases in this Preliminary Economic Assessment are preliminary in nature and include both Indicated and Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the Preliminary Economic Assessment will be realised.

Metal Price Sensitivity

In addition to the base case metal price assumptions, a series of sensitivity cases were investigated to test a number of commonly used pricing mechanisms. These included:

- Three-year trailing average prices in line with US SEC⁴ guidelines (base case)
- Three-year trailing average price combined with a two-year forward forecast price
- Long term consensus forecast price
- Current spot price

¹ Available on www.sedar.com dated April 16 2012

² C1 cash costs are the costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.

³ NPV – Net Present Value

⁴ SEC – Securities & Exchange Commission

For all of these cases estimated returns from the project were positive with a healthy cash margin from operations. Table 2 presents the metal prices and key economic results from these sensitivity cases.

Table 2 – Results of Metal Price Sensitivity Cases

	3 yr trailing average	3 yr trailing plus 2 year forecast	Long term forecast	Current Spot
Nickel Price (USD/t)	20,826	20,173	22,552	17,978
Copper Price (USD/t)	7,976	8,030	6,630	8,285
Post-tax free cash flow	406.0	361.9	513.0	213.4
Post-tax NPV at 8%	146.8	120.4	210.4	30.5
Post Tax IRR (%)	19.2	17.2	23.9	10.4
C1 Cost margin (USD/lb payable Ni)	4.45	4.15	5.23	3.16

Note: All cases in this Preliminary Economic Assessment are preliminary in nature and include both Indicated and Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the Preliminary Economic Assessment will be realised.

Ongoing Work and Next Steps

Based on the results of the updated PEA, IMX's board and management are committed to continuing with the evaluation and long lead development activities for the Project in order to reduce the project risk profile. The following work program is currently underway and expected to be completed early in 2013:

- Continued investigation and discussion with the Tanzanian government departments and other groups to secure access to key project infrastructure such as power, roads and port facilities.
- Completion of the environmental and social impact assessment (ESIA) that is already well advanced with an aim to receiving environmental approval by the end of the first quarter of 2013.
- Definitive metallurgical test work program that is currently underway on approximately 12t of sample at G&T Metallurgical Laboratories in Kamloops, Canada, and expected to be completed during early 2013.
- Mineral Resource update on the basis of current drilling program (between 20,000m and 25,000m), which is expected in the first quarter of 2013
- Continue optimisation of mining options to identify a single development plan based on the updated resource (1Q13)

Subject to the outcomes and market conditions, a PFS/FS⁵ will be commenced aimed at allowing a project commitment in late 2013 which could lead to production commencing in late 2015.

Description of Proposed Activities

Under both options, open pit mining is carried out by a mining contractor, however underground mining would be conducted on an owner operator basis by IMX. The mining schedule developed for this study indicates that stockpiling and blending will be required to optimise the mining rate, feed grade and tonnage to the processing plant.

Metallurgical test work has confirmed several assumptions including confirmation of good flotation performance on the disseminated hanging wall mineralisation⁶ and the amenability of J Zone mineralisation to upgrading by magnetic separation.

⁵ PFS – Pre-Feasibility Study, FS – Feasibility Study

The design of the processing facilities, site infrastructure, access road and port facilities is unchanged from the April 2011 PEA, however costs have been updated to reflect changes in prevailing prices and improvements in estimates.

A power options study was completed in May 2012 to determine the optimal power supply arrangement for the Project. The PEA assumes the Tanzanian Government complete the proposed 132kV power line from the natural gas fired power station in Mtwara, to the town of Masasi. The Project will then connect to Masasi, approximately 90km from the site through new 33kV lines with capital costs for the construction of this connecting power line included in the increased Project infrastructure costs in the PEA.

Estimated Costs and Revenue

Capital and operating cost estimates for the Project have been updated and a summary of these is given in Tables 3 and 4. Smelting and refining terms and concentrate transport costs are unchanged from the April 2011 PEA.

Table 3 – Capital Cost Summary

Cost Area	Open Pit Only			Open Pit with Underground		
	Initial (million USD)	Expansion (million USD)	Sustaining (million USD)	Initial (million USD)	Expansion (million USD)	Sustaining (million USD)
Mining	33.3	4.2	-	34.5	123.4	-
Process Plant	67.2	122.0	7.0	67.2	19.4	6.5
Infrastructure	51.2	40.2	4.0	51.2	6.8	3.8
Tailings Dam	6.4	-	45.8	7.1	-	20.9
Environmental	-	-	22.0	-	-	21.5
Owners Costs	8.3	4.1	-	8.3	4.1	-
Working capital	16.1	13.1	-	16.1	0.5	-
EPCM	15.4	26.9	-	15.4	5.4	-
Contingency	27.3	39.8	-	27.3	9.5	-
Total	225.1	250.2	78.8	227.0	169.0	52.7

Note: Working capital recovery over the LOM for the open pit option is USD 66.7M and for the open pit with underground option is USD 30.6M which are not included above

Table 4 – Life of Mine Operating Cost Summary

Area	Open Pit Only (US\$/t milled)	Open Pit with Underground (US\$/t milled)
Mine	18.29	26.81
Mill	9.04	11.84
G&A	3.97	8.26
Total	31.30	46.90

Development Schedule

The conceptual development timeline for the project includes a number of key milestones with appropriate decision points. These milestones are outlined in Table 5.

Table 5 – Conceptual Project Development Timeline Milestones

Project Milestone	Timing
Submit Environmental Scoping Study and Terms of Reference for Approval	Approved Mar 12
Update Mineral Resources based on 2011 drilling	Completed Mar 12
Various options studies completed (Commenced)	End 2012
Complete environmental baseline studies	Completed Jun 12
Complete 2012 in-fill drilling on Sleeping Giant zone (Commenced)	4Q12
Prepare and Submit EIS and EMP for Approval (Commenced)	4Q12
Receive environmental approval	1Q13
Definitive metallurgical test work complete (Commenced)	1Q13
Update Mineral Resource based on 2012 drilling	1Q13
Commitment to PFS/FS	1Q13
Complete PFS/FS	3Q13
Conditional Off-Take in Place	3Q13
Project Commitment by IMX	4Q13
Mining Licence and Mine Development Agreement	4Q13
Front End Engineering Design	1Q14
Financing and Production Commitment	2Q14
Commence Construction on Site (end of Wet Season)	2Q14
Commence Commissioning	3Q15
First Production	4Q15
First Shipment	1Q16

Assuming a positive PFS/FS and a development decision in 3Q13, and subject to financing and other development contingencies, commissioning could commence in 3Q15 with first production at the end of 2015.

The PEA summarised here for the Ntaka Hill Nickel Sulphide project will be incorporated into an NI 43-101 compliant Technical Report to be available on SEDAR and IMX's website within 45 days of the date of this announcement.



NEIL MEADOWS
Managing Director

For further information, please contact:

Neil Meadows

Managing Director

Tel: +61 8 9388 7877

E: nmeadows@imxres.com.au

Investor Relations

Tony Dawe

Professional Public Relations

Tel: +61 8 9388 0944

E: tony.dawe@ppr.com.au

Competent Persons / Qualified Person / NI 43-101 Statement

The quality control and technical information compiled for this PEA were prepared by the following Qualified Persons (QP) as defined in Canadian National Instrument 43-101 (Standards of Disclosure for Mineral Projects). All QP's have sufficient experience of the relevant areas of expertise listed to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. All QP's have reviewed this press release and consented to the inclusion of the data in the form and context in which it appears, and approves this disclosure. Each QP is independent of IMX within the meaning of Canadian National Instrument NI 43-101.

Section	Company	Qualified Person
Mineral Resources	RPA	Chester Moore, P. Eng.
Mining and Mine Capital and Operating Costs	Mining Plus	Neil Schunke, MAusIMM (CP)
Metallurgy, flowsheet design, performance predictions	Mineralurgy	Peter Munro, FAusIMM
Process plant and infrastructure operating/capital costs	Lycopodium	Jacqueline McAra, P. Eng.
Concentrate marketing and freight	Mining Plus	Neil Schunke, MAusIMM (CP)
Financial modelling and general aspects	Mining Plus	Neil Schunke, MAusIMM (CP)

The Company is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issue that might materially affect this estimate of Mineral Resources. The projections, forecasts and estimates presented in the PEA constitute forward-looking statements, and readers are urged not to place undue reliance on such statements. Additional cautionary and forward-looking statement information is provided below.

About IMX Resources Limited

IMX Resources Limited is an Australian based mining and base & precious metal exploration company dual-listed on the Australian and Toronto stock exchanges (ASX/ TSX Code: IXR; TSX:IXR.WT), with exploration projects located in Australia, Africa and North America.

In Africa, IMX owns and operates the highly prospective Nachingwea Exploration Project in southeast Tanzania, which includes the potentially world-class Ntaka Hill Nickel Sulphide project. Nachingwea is highly prospective for nickel and copper sulphide, gold and graphite mineralisation. The Ntaka Hill Nickel Sulphide Project is one of the world's best un-developed nickel sulphide projects and has the potential to produce a very clean, high quality premium nickel concentrate.

In Australia, IMX operates and owns 51% of the Cairn Hill Mining Operation, located 55 kilometres south-east of Coober Pedy in South Australia, where it produces a premium coarse-grained magnetite-copper-gold DSO product at a rate of 1.8Mtpa.

IMX is actively developing the Mt Woods Magnetite Project on the highly prospective Mt Woods Inlier in South Australia. IMX currently has a JORC Inferred Resource of 569Mt @ 27% Fe at the Snaefell Magnetite Deposit and a Global Exploration Target of between 200-380Mt @ 25-35% Fe elsewhere in the project. Studies indicate that coarse grained concentrates that could be produced at Snaefell have the potential to produce a direct sinter feed product which has the potential to attract a significant price premium.

IMX has also entered into a joint venture with OZ Minerals (the Mt Woods Copper-Gold JV Project) to explore the Mt Woods tenements for copper and gold. OZ Minerals is spending a minimum of \$20M for a 51% interest in the non-iron rights, with IMX retaining a 49% interest in the non-iron rights and 100% of the iron ore rights.

IMX owns 25.65% of Uranex (ASX: UNX), which is a dedicated uranium exploration company, which is developing the Mkuju Uranium project in southern Tanzania.

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FORWARD-LOOKING STATEMENTS: This News Release includes certain “forward-looking statements”. Forward-looking statements and forward-looking information are frequently characterised by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may”, “will” or “could” occur. All statements other than statements of historical fact included in this release are forward-looking statements or constitute forward-looking information. Such statements and information in this news release include statements regarding mining parameters (including processing rates and mill feed), concentrate production, estimates of capital costs, internal rates of return, net present values, completion of environmental and social impact assessments in Q1 2013, completion of definitive metallurgical test work in early 2013, completion of a mineral resource upgrade in Q1 2013, completion of a preliminary or definitive feasibility study in late 2013, life of mine estimate of 15 years, completion of each of the Project Milestones in Table 5, and annual production rates of 10,000 to 15,000 tpa. There can be no assurance that such information of statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such information. Important factors could cause actual results to differ materially from IMX’s expectations.

These forward-looking statements are based on certain assumptions, the opinions and estimates of management and qualified persons at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements or information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, the ability of contracted parties (including laboratories and drill companies to provide services as contracted); uncertainties relating to the availability and costs of financing needed in the future and other factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. IMX undertakes no obligation to update forward-looking statements or information if circumstances should change. The reader is cautioned not to place undue reliance on forward-looking statements or information.

Readers are also cautioned to review the risk factors identified by IMX in its regulatory filings made from time to time with the ASX, TSX and applicable Canadian securities regulators.

ALL OPEN PIT ONLY OPTION - SUMMARY OF CASH FLOW AND FINANCIALS

Option 1	Open pit	Units	Total	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Mining	Open Pit Ore	Mt	57.29			1.07	1.07	1.08	1.07	4.83	4.83	4.84	4.83	4.83	4.83	4.84	4.83	4.83	4.83	4.68
	Ni Grade	%	0.48			1.33	1.32	1.11	1.02	0.48	0.36	0.30	0.35	0.40	0.35	0.34	0.45	0.48	0.73	0.40
	Cu Grade	%	0.11			0.32	0.27	0.29	0.25	0.14	0.09	0.07	0.08	0.10	0.08	0.07	0.10	0.10	0.15	0.10
	Waste Mined	Mt	352.68	-	12.09	12.20	17.45	18.40	38.62	36.75	46.72	44.79	31.11	28.00	19.60	15.16	13.60	9.16	9.02	-
	Total Tonnes Mined	Mt	409.97		12.09	13.28	18.52	19.48	39.69	41.58	51.55	49.63	35.94	32.83	24.43	20.00	18.43	13.99	13.85	4.68
	Stripping Ratio		6.16	-	5.26	5.31	10.36	25.95	16.80	6.85	12.55	9.10	5.80	5.22	3.65	2.82	2.53	1.71	5.05	-
Processing	Mill Recovery																			
	Ni recovery	%	75.22			78.72	66.06	74.20	82.06	73.48	68.69	68.64	72.93	75.51	72.95	72.82	78.54	80.88	84.58	66.76
	Cu recovery	%	82.57			83.42	70.30	74.60	82.40	79.46	78.72	80.35	84.24	86.34	83.84	83.31	87.51	88.45	89.63	75.53
	Metal recovered																			
	Ni Metal	t	206,005			11,254	9,383	8,893	9,020	17,018	11,868	9,857	12,191	14,486	12,250	12,024	16,979	18,570	29,856	12,356
	Cu Metal	t	53,313			2,882	2,018	2,322	2,210	5,397	3,356	2,816	3,418	4,175	3,265	2,947	4,255	4,188	6,529	3,536
	Concentrate	DMT	1,275,315			62,835	52,354	49,612	50,521	100,418	73,800	61,627	74,181	86,808	74,528	73,207	100,040	108,065	182,585	124,734
	Ni Metal	%	16.15			17.91	17.92	17.93	17.85	16.95	16.08	16.00	16.43	16.69	16.44	16.42	16.97	17.18	16.35	9.91
	Cu Metal	%	4.18			4.59	3.85	4.68	4.37	5.37	4.55	4.57	4.61	4.81	4.38	4.03	4.25	3.87	3.58	2.83
Revenue	Metal Prices																			
	Ni Price	USD/MT	20,826			20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826
	Cu Price	USD/MT	7,976			7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976
Payability	Payable Ni	%				17.91	17.92	17.93	17.85	16.95	16.08	16.00	16.43	16.69	16.44	16.42	16.97	17.18	16.35	9.91
	Payable CU	%				4.59	3.85	4.68	4.37	5.37	4.55	4.57	4.61	4.81	4.38	4.03	4.25	3.87	3.58	2.83
	Concentrate Revenue																			
	Ni Revenue	USD/DMT				2,871	2,872	2,873	2,860	2,699	2,547	2,532	2,609	2,653	2,609	2,607	2,704	2,741	2,594	1,505
	Cu Revenue	USD/DMT				128	108	131	122	150	127	128	129	134	122	112	119	108	100	
	Total	USD/DMT				2,999	2,980	3,004	2,982	2,849	2,674	2,659	2,737	2,787	2,731	2,719	2,822	2,849	2,694	1,505
	Total Gross Revenue	USD M	3,409			188.42	156.02	149.02	150.67	286.10	197.31	163.88	203.06	241.97	203.56	199.07	282.35	307.90	491.87	187.72
	Less Charges	USD M	-205			-10.19	-8.49	-8.05	-8.19	-16.28	-11.90	-9.93	-12.01	-14.08	-12.06	-11.84	-16.22	-17.52	-29.47	-18.64
	Gross Revenue Less Charges	USD M	3,204			178.23	147.53	140.98	142.48	269.82	185.41	153.95	191.05	227.90	191.50	187.23	266.12	290.38	462.40	169.08
	Less Royalty	USD M	-136			-7.54	-6.24	-5.96	-6.03	-11.44	-7.89	-6.56	-8.12	-9.68	-8.14	-7.96	-11.29	-12.32	-19.67	-7.51
	Net Smelter Return	USD M	3,068			170.69	141.29	135.02	136.45	258.37	177.52	147.40	182.93	218.22	183.36	179.27	254.83	278.06	442.73	161.57
	FOB Value per tonne concentrate	USD/t				2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711	2,711
	Nickel Payability	%				76.96	76.96	76.96	76.93	76.47	76.04	76.00	76.22	76.34	76.22	76.21	76.49	76.59	76.18	72.95
Operating costs	Mining - Open Pit	USD/t ore				26.97	38.22	39.36	87.91	22.39	24.10	26.14	20.95	20.52	16.47	14.34	14.27	9.23	5.38	0.29
	Mining - Underground	USD/t ore																		
	Processing	USD/t ore				12.78	12.78	12.77	12.78	8.18	8.18	8.64	8.65	8.65	8.65	9.02	9.03	9.03	9.03	9.10
	G & A	USD/t ore				11.58	11.58	11.55	11.58	3.35	3.35	3.34	3.35	3.35	3.35	3.34	3.35	3.35	3.35	3.45
	Mining - Open Pit	USD M	1,048			28.94	41.02	42.35	94.33	108.11	116.38	126.58	101.18	99.10	79.53	69.46	68.93	44.58	26.00	1.35
	Mining - Underground	USD M																		

Option 1	Open pit	Units	Total	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	Processing	USD M	518.10			13.71	13.71	13.74	13.71	39.50	39.50	41.85	41.76	41.76	41.76	43.68	43.59	43.59	43.59	42.62
	G & A	USD M	227.43			12.43	12.43	12.43	12.43	16.16	16.16	16.16	16.16	16.16	16.16	16.16	16.16	16.16	16.16	16.16
	Total Operating Costs	USD M	1,793.38			55.09	67.16	68.52	120.48	163.77	172.03	184.59	159.10	157.02	137.45	129.30	128.68	104.33	85.75	60.12
	Unit operating Cost (Excl. by-prod. Revenue)	USD/t ore	31.30			51.33	62.59	63.68	112.27	33.91	35.63	38.12	32.95	32.52	28.46	26.70	26.65	21.60	17.76	12.84
	Operating Cash Flow	USD M	1,274.33			115.61	74.13	66.50	15.98	94.60	5.49	-37.19	23.83	61.20	45.91	49.97	126.15	173.73	356.98	101.45
Capital Cost	Mining	USD M	37.4	3.45	29.80				4.15											
	Processing Plant	USD M	189.2	20.15	51.90			36.59	98.46											-17.95
	Sustaining	USD M	63.8			1.50	6.50	6.50	6.50	6.20	6.20	4.20	4.20	4.20	4.20	4.00	3.20	3.20	3.20	
	Infrastructure	USD M	91.4	25.60	25.60			20.08	20.08											
	Tailings Storage Faculty	USD M	6.4		6.40															
	Environmental	USD M	15.0																	15.00
	Initial Owner's Cost	USD M	51.0	20.57	30.40															
	Expansion Capital	USD M	70.8					30.13	40.70											
	Working Capital	USD M			9.18	2.01	0.23	8.66	7.22	1.38	2.09	-4.25	-0.35	-3.26	-1.36	-0.10	-4.06	-3.10	-4.27	-10.02
	Total Capital Expenditure	USD M	524.9	69.8	153.3	3.5	6.7	102.0	177.1	7.6	8.3	-0.05	3.9	0.9	2.8	3.9	-0.9	0.1	-1.1	-13.0
	Nickel Production	t/a	206,005			11,254	9,383	8,893	9,020	17,018	11,868	9,857	12,191	14,486	12,250	12,024	16,979	18,570	29,856	12,356
	Nickel Production	'000 lb/a	454,036			24,805	20,679	19,601	19,879	37,507	26,157	21,726	26,870	31,927	26,999	26,500	37,423	40,928	65,803	27,232
	C1 Cost (contained Ni)	USD/lb	4.40			2.61	3.69	3.88	6.47	4.70	6.98	8.89	6.32	5.30	5.50	5.32	3.86	2.99	1.77	3.17
	C1 Cost (Payable Ni)	USD/lb	5.77			3.39	4.79	5.04	8.40	6.15	9.17	11.70	8.29	6.94	7.22	6.97	5.04	3.91	2.33	4.34
Cash Flow	Revenue	USD M	3,204.1			178.23	147.53	140.98	142.48	269.82	185.41	153.95	191.05	227.90	191.50	187.23	266.12	290.38	462.40	169.08
	less Operating Costs	USD M	-1,793.4			-55.09	-67.16	-68.52	-120.48	-163.77	-172.03	-184.59	-159.10	-157.02	-137.45	-129.30	-128.68	-104.33	-85.75	-60.12
	less Royalties	USD M	-136.4			-7.54	-6.24	-5.96	-6.03	-11.44	-7.89	-6.56	-8.12	-9.68	-8.14	-7.96	-11.29	-12.32	-19.67	-7.51
	less Tax	USD M	-217.4													-5.02	-36.98	-51.21	-106.14	-18.06
	less Capital Cost	USD M	-524.9	-69.77	-153.28	-3.51	-6.73	-101.96	-177.09	-7.58	-8.29	0.05	-3.85	-0.94	-2.84	-3.90	0.86	-0.10	1.07	12.97
	less Profit Payable to Minority Interest	USD M																		
	Cash flow	USD M	532.0	-69.77	-153.28	112.09	67.40	-35.46	-161.12	87.02	-2.81	-37.15	19.98	60.26	43.07	41.05	90.02	122.42	251.91	96.36
	Cumulative Cash flow	USD M			-69.77	-223.04	-110.95	-43.55	-79.01	-240.13	-153.11	-155.91	-193.06	-173.08	-112.82	-69.74	-28.69	61.33	183.75	435.66

OPEN PIT WITH UNDERGROUND OPTION – SUMMARY OF CASH FLOW AND FINANCIALS

Option 2	Open pit plus Underground	Units	Total	Year - 2	Year - 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Mining	Open Pit Ore	Mt	16.47			1.07	1.07	1.08	1.07	1.07	1.07	1.15	1.15	1.15	1.15	1.15	1.53	1.72	1.02
	Ni Grade	%	0.79			1.33	1.32	1.11	1.03	0.58	0.73	0.90	0.86	0.97	0.78	0.81	0.43	0.27	0.27
	Cu Grade	%	0.19			0.33	0.27	0.29	0.25	0.16	0.19	0.20	0.20	0.21	0.19	0.19	0.12	0.09	0.09
	Waste Mined	Mt	125.80	-	12.09	12.20	17.45	18.40	25.79	13.61	8.99	17.14	0.13	-	-	-	-	-	-
	Total Tonnes Mined	Mt	142.28	-	12.09	13.28	18.52	19.48	26.86	14.69	10.06	18.29	1.28	1.15	1.15	1.15	1.53	1.72	1.02
	Stripping Ratio	Mt	5.9		5.3	5.3	10.4	25.9	11.1	5.2	3.1	5.7	0.1						
	Underground - Ore	%	4.67						0.01	0.32	0.63	0.70	0.70	0.69	0.70	0.62	0.29		
	Ni Grade	%	1.3						1.30	1.07	1.27	1.39	1.36	1.67	1.14	1.27	1.27		
	Cu Grade	Mt	0.3						0.27	0.27	0.30	0.29	0.28	0.31	0.25				
	Total Ore	%	21.15			1.07	1.07	1.08	1.09	1.40	1.70	1.85	1.85	1.84	1.85	1.77	1.82	1.72	1.02
	Ni Grade	%	0.79			1.33	1.32	1.11	1.03	0.58	0.73	0.90	0.86	0.97	0.78	0.81	0.43	0.27	0.27
	Cu Grade	Mt	0.19			0.33	0.27	0.29	0.25	0.16	0.19	0.20	0.20	0.21	0.19	0.19	0.12	0.09	0.09
Processing	Mill Recovery																		
	Ni recovery	%	79.7			78.7	66.1	74.2	82.3	79.7	84.4	86.9	83.9	84.5	83.0	82.8	75.1	61.4	61.4
	Cu recovery	%	83.6			83.2	70.3	74.6	82.6	84.8	89.0	90.4	87.5	87.8	86.9	87.0	81.7	74.0	74.0
	Metal recovered																		
	Ni Metal	t	133,161			11,254	9,383	8,893	9,255	6,435	10,506	14,544	13,419	15,169	11,914	11,823	5,931	2,912	1,722
	Cu Metal	t	33,672			2,963	2,018	2,322	2,243	1,848	2,806	3,418	3,192	3,404	3,015	2,909	1,742	1,127	667
	Concentrate	DMT	821,223			63,162	53,733	50,302	51,981	37,146	59,738	81,520	90,400	101,047	82,962	78,685	37,197	20,956	12,393
	Ni Metal	%	16.2			17.8	17.5	17.7	17.8	17.3	17.6	17.8	14.8	15.0	14.4	15.0	15.9	13.9	13.9
	Cu Metal	%	4.1			4.7	3.8	4.6	4.3	5.0	4.7	4.2	3.5	3.4	3.6	3.7	4.7	5.4	5.4
Revenue	Metal Prices																		
	Ni Price	USD/MT	20,826			20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826
	Cu Price	USD/MT	7,976			7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976
Payability	Payable Ni	%				17.8	17.5	17.7	17.8	17.3	17.6	17.8	14.8	15.0	14.4	15.0	15.9	13.9	13.9
	Payable CU	%				4.7	3.8	4.6	4.3	5.0	4.7	4.2	3.5	3.4	3.6	3.7	4.7	5.4	5.4
	Concentrate Revenue																		
	Ni Revenue	USD/DMT				2,854	2,790	2,829	2,852	2,766	2,813	2,858	2,332	2,361	2,248	2,363	2,523	2,169	2,169
	Cu Revenue	USD/DMT				131	105	129	120	139	131	117	99	94	101	103	131	150	150
	Total	USD/DMT				2,985	2,895	2,958	2,972	2,905	2,944	2,975	2,430	2,455	2,350	2,466	2,653	2,319	2,319
	Total Gross Revenue	USDM	2,206.4			188.5	155.6	148.8	154.5	107.9	175.9	242.5	219.7	248.0	195.0	194.1	98.7	48.6	28.7
	Less Charges	USDM	-131.76			-10.24	-8.71	-8.16	-8.43	-6.02	-9.69	-13.22	-14.35	-16.07	-13.10	-12.52	-5.99	-3.30	-1.95
	Gross Revenue Less Charges	USDM	2,074.7			178.3	146.9	140.6	146.1	101.9	166.2	229.3	205.3	232.0	181.8	181.5	92.7	45.3	26.8
	Less Royalty	USDM	-88.26			-7.54	-6.22	-5.95	-6.18	-4.32	-7.03	-9.70	-8.79	-9.92	-7.80	-7.76	-3.95	-1.94	-1.15
	Net Smelter Return	USDM	1,986.4			170.75	140.63	134.69	139.88	97.56	159.13	219.61	196.54	222.05	174.05	173.78	88.76	43.35	25.64
	FOB Value per tonne concentrate	USD/t				2,699	2,616	2,674	2,687	2,625	2,661	2,690	2,190	2,212	2,116	2,223	2,394	2,088	2,088
	Nickel Payability	%				76.9	76.7	76.8	76.9	76.7	76.8	76.9	75.4	75.5	75.2	75.5	76.0	74.9	74.9
Operating costs	Mining - Open Pit	USD/tore				26.97	38.22	39.36	62.21	38.39	29.63	38.68	1.20	0.29	0.29	0.29	0.29	0.29	0.29
	Mining - Underground	USD/tore						57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08		
	Processing	USD/tore				12.78	12.78	12.77	12.89	15.23	16.79	18.53	18.57	18.51	18.56	18.02	13.79	11.85	13.00

Option 2	Open pit plus Underground	Units	Total	Year - 2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	G & A	USD/tore				11.58	11.58	11.55	11.58	11.58	12.16	11.32	11.35	11.35	11.35	11.32	8.51	7.57	7.91
	Mining - Open Pit	USDM	300.3			28.94	41.02	42.35	66.76	41.19	31.80	44.59	1.38	0.33	0.33	0.33	0.44	0.50	0.29
	Mining - Underground	USDM	266.6						0.80	18.38	35.96	40.01	40.07	39.55	39.95	35.33	16.55		
	Processing	USDM	250.3			13.71	13.71	13.74	13.83	16.34	18.02	21.37	21.35	21.29	21.34	20.78	21.14	20.43	13.26
	G & A	USDM	174.6			12.43	12.43	12.43	12.43	12.43	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	8.07
	Total Operating Costs	USDM	991.8			55.09	67.16	68.52	93.82	88.35	98.83	119.02	75.85	74.22	74.67	69.49	51.19	33.98	21.62
	Unit operating Cost	USD/t ore	46.9			51.33	62.59	120.76	143.76	122.28	115.67	125.61	88.20	87.23	87.28	86.71	79.67	19.70	21.19
	Operating Cash Flow	USDM	994.6			115.67	73.47	66.17	46.07	9.22	60.30	100.60	120.70	147.83	99.38	104.29	37.58	9.37	4.02
	Nickel Production	t/a	133,161			11,254	9,383	8,893	9,255	6,435	10,506	14,544	13,419	15,169	11,914	11,823	5,931	2,912	1,722
	Nickel Production	'000lb/a	293,486			24,805	20,679	19,601	20,399	14,183	23,155	32,056	29,575	33,433	26,258	26,059	13,072	6,417	3,795
	C1 Cost (contained Ni)	USD/lb	3.81			2.60	3.70	3.88	5.01	6.59	4.65	4.13	3.05	2.71	3.32	3.13	4.30	5.62	6.02
	C1 Cost(Payable Ni)	USD/lb	5.00			3.39	4.82	5.06	6.51	8.60	6.06	5.37	4.04	3.59	4.41	4.15	5.67	7.50	8.04
CapitalCost	Mining	USDM	157.9	4.70	29.80			36.79	22.10	15.77	13.20	10.60	8.76	9.20	6.96				
	Processing Plant	USDM	86.6	20.15	51.91			5.81	14.04										-5.36
	Sustaining	USDM	37.7			1.50	4.00	4.00	3.50	3.20	3.20	3.20	3.20	3.10	2.20	2.20	2.20	2.20	
	Infrastructure	USDM	58.0	25.60	25.60			3.40	3.40										
	Tailings Storage Facility	USDM	7.1		7.10														
	Environmental	USDM	15.0																15.00
	Initial Owner's Cost	USDM	51.0	20.57	30.40														
	Expansion Capital	USDM	18.9					8.11	10.83										
	Working Capital	USDM			9.18	2.01	0.23	4.22	-0.91	1.75	3.36	-7.19	-0.27	0.08	-0.86	-3.05	-2.87	-2.06	-3.60
	Total Capital Expenditure	USDM	432.1	71.0	154.0	3.5	4.2	62.3	53.0	20.7	19.8	6.6	11.7	12.4	8.3	-0.8	-0.7	0.1	6.0
CashFlow	Revenue	USDM	2,074.7			178.29	146.85	140.64	146.06	101.88	166.16	229.32	205.33	231.97	181.85	181.54	92.71	45.29	26.79
	Less Operating Costs	USDM	-991.8			-55.09	-67.16	-68.52	-93.82	-88.35	-98.83	-119.02	-75.85	-74.22	-74.67	-69.49	-51.19	-33.98	-21.62
	Less Royalties	USDM	-88.3			-7.54	-6.22	-5.95	-6.18	-4.32	-7.03	-9.70	-8.79	-9.92	-7.80	-7.76	-3.95	-1.94	-1.15
	Less Tax	USDM	-156.5										-14.31	-32.64	-41.29	-26.59	-28.70	-10.74	-2.24
	Less Capital Cost	USDM	-432.1		-71.02	-153.99	-3.51	-4.23	-62.33	-52.95	-20.72	-19.76	-6.61	-11.68	-12.37	-8.29	0.85	0.67	-0.14
	Less Profit Payable to Minority Interest	USDM																	
	Cash flow	USDM	406.0		-71.02	-153.99	112.15	69.24	3.84	-6.88	-11.51	40.54	79.68	76.37	94.17	64.50	76.44	27.50	6.98
	Cumulative Cashf low	USDM			-71.02	-225.00	-112.85	-43.60	-39.77	-46.65	-58.16	-17.62	62.07	138.44	232.61	297.10	373.54	401.05	408.03