

7 April, 2015

Maiden Resource Highlights Strong Production Potential for Chilalo Graphite Project

Initial high-grade resource of 792,000t of contained graphite indicates scope for high-margin project and underpins development studies

Key Points

- **Maiden Inferred Mineral Resource estimate completed for the high-grade Shimba deposit, Chilalo Graphite Project in Tanzania:**
 - Inferred Mineral Resource of 7.4Mt grading 10.7% Total Graphitic Carbon (TGC) for 792,000t of contained graphite (within the >5% TGC high-grade zone).
- Grade compares favourably with all other known graphite Mineral Resources in Tanzania.
- Over 90% of the Mineral Resource lies within 100m of surface, providing positive implications for mining economics.
- Significant potential to further increase the high-grade resource base:
 - High-grade Shimba deposit remains open to the north-east and south-west; and
 - Only 10% of the 54km of the anomalous strike identified by VTEM has been tested to date.
- Existing resource is appropriate to support the proposed smaller-scale graphite development at Chilalo, as recommended by BatteryLimits in the preliminary findings of its high-level study.
- Pre-Feasibility Study expected to commence in Q2 2015, focused on a low capital cost, high-margin graphite project.

(ASX: IXR, TSX: IXR, IXR.WT) ('IMX' or the 'Company') is pleased to announce that its strategy to fast-track the development of its Chilalo Graphite Project in south-eastern Tanzania has taken a major step forward with the completion of a maiden Inferred Mineral Resource, in accordance with JORC 2012.

The Mineral Resource estimate, comprising **7.4 million tonnes grading 10.7% Total Graphitic Carbon (TGC)**, for **792,000 tonnes of contained graphite** (within the >5% TGC high grade zone) for the Shimba deposit, has been completed within seven months of commencing a desktop review of the graphite opportunity at Chilalo.

The high-grade resource is part of the total Shimba Mineral Resource estimate of 18.1 million tonnes grading 6.2% TGC for 1,114,600 tonnes of contained graphite (Table 1).

The high-grade resource is the catalyst to fast-tracking the development of a low capital cost, near-term graphite production opportunity at Chilalo.

The Shimba Mineral Resource estimate is set out in Table 1 below. Drill-hole information and JORC 2012 Table 1 Reporting are included as Appendices to this announcement.

Table 1 – Shimba deposit Inferred Mineral Resource Estimate

Domain	Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High-grade zone	7.4	10.7	792.2
Low-grade zone	10.7	3.0	322.4
Total	18.1	6.2	1,114.6

**Note: The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The resource is quoted from all classified blocks within these wireframe solids. Differences may occur due to rounding.*

IMX CEO Phil Hoskins said that the announcement of a maiden Inferred Mineral Resource estimate demonstrated that Chilalo had the potential to become a low-cost, high-grade graphite producer.

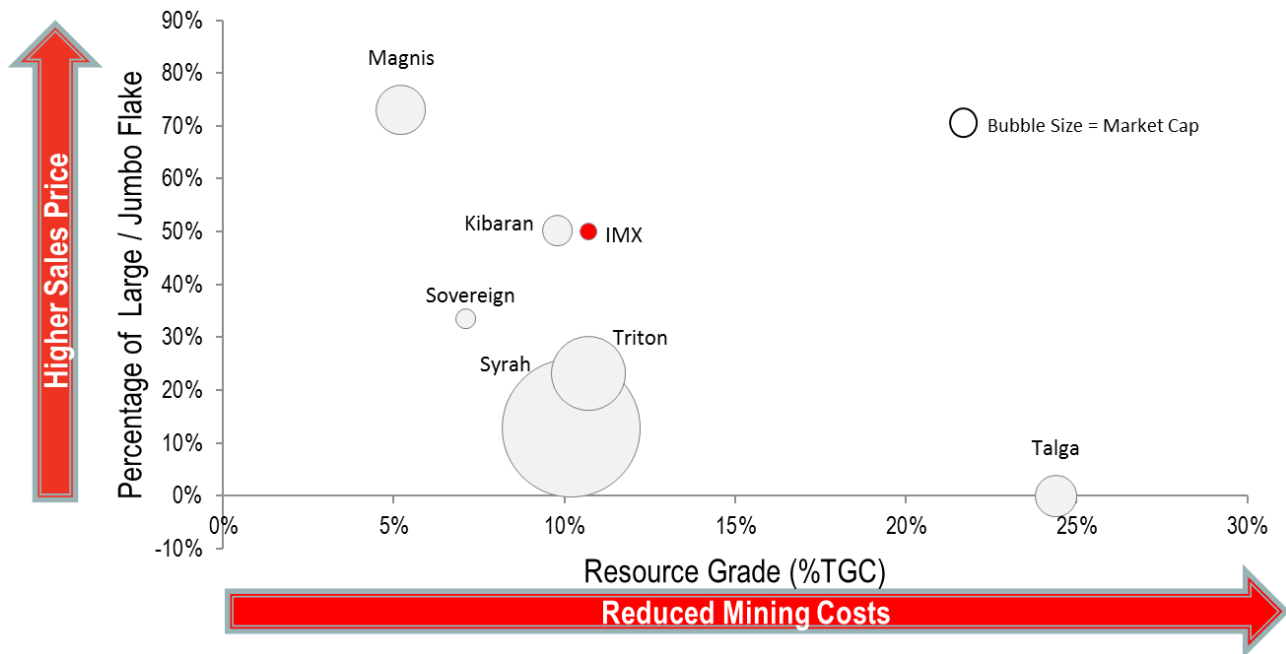
“Chilalo has the volume and the grade needed to support a low capital cost, high-margin graphite operation,” Mr Hoskins said.

“To have reached this stage within seven months of a desktop review which led to the discovery is a tremendous achievement and we plan to fast-track ongoing development work to advance Chilalo towards production as quickly as possible”.

High quality asset

While a range of factors are seen as important in determining the viability of a graphite operation (and company valuations), two variables typically considered to be critically important are flake size distribution and resource grade. All other things being equal, the higher the percentage of material in large and jumbo flake (+180 micron), the greater the revenue opportunity and the higher the resource grade, the lower the operating costs. As shown in Figure 1, IMX has an attractive combination of a high percentage of large and jumbo flake sized material and a relatively high grade for its Mineral Resource, but a low valuation when compared to a number of its peers.

Figure 1 – Peer group comparison, flake size distribution and resource grade



Notes:

1. IMX results are unoptimised.
2. Due to inconsistent reporting of flake size distribution categories between companies, assumptions have been made to ensure comparability.
3. Sources: Syrah – 15/01/2014 announcement, Magnis – 29/12/2014 announcement, Triton – 2014 annual report, Kibaran – Dec 2014 corporate presentation, Sovereign – 21/10/2014 announcement, Talga – 17/10/2014 corporate presentation.
4. Talga looking to produce graphene in addition to graphite concentrate

“Following our recent excellent metallurgical results, the maiden high-grade resource for the Shimba deposit clearly demonstrates the quality of the Chilalo Graphite Project. Based on the strength of this initial resource and its metallurgical characteristics, we can proceed to a Pre-Feasibility Study with confidence,” Mr Hoskins said.

“We have been progressing discussions with various parties regarding offtake arrangements for Chilalo and the release of today’s high-grade Mineral Resource, on the back of recently announced exceptional metallurgical testwork results, is expected to see these discussions become formalised in the coming weeks.

“While these discussions are focused primarily on offtake arrangements, with our commitment to project development, we continue to actively engage with various parties in Asia, Europe and North America who have expressed interest across various other aspects of the project including plant design, procurement and construction.

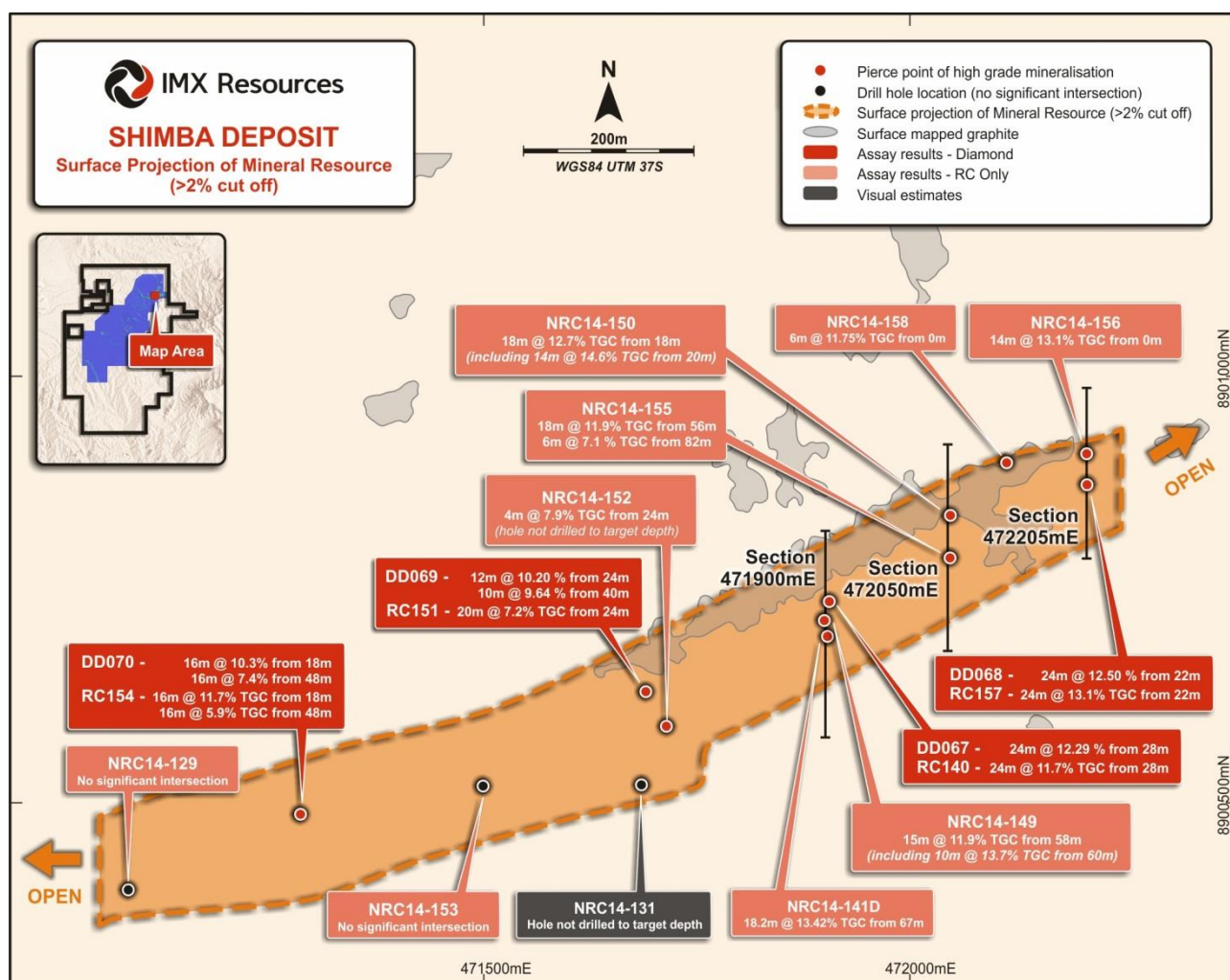
“With a high-grade resource now under our belt that is sufficient to underpin our targeted smaller scale project, and a demonstrated ability to produce an extremely high-quality product, subject to further optimisation, we are firmly focussed on advancing the project through a Pre-Feasibility Study, aimed at delivering a low-cost graphite project as quickly as possible.

“The completion of the final BatteryLimits report, which is expected shortly, will pave the way for commencement of a Pre-Feasibility Study in the second quarter of 2015,” Mr Hoskins added.

Mineral Resource modelling

The Mineral Resource estimate was completed by CSA Global Pty Ltd, in accordance with the guidelines of JORC 2012, based on 19 reverse circulation (RC) drill holes and 5 diamond drill holes, which intersected the interpreted mineralisation zones, completed at Shimba between October and December 2014 (Figure 1). The model was further refined by mapped outcrop and down hole electromagnetic data collected in 18 RC drill holes. The mineralisation wireframes were modelled using a nominal lower cut-off grade of 5% TGC for the higher grade core zones and a nominal lower cut-off grade of 2% TGC for the lower grade surrounding zones.

Figure 2 – Plan view of Shimba deposit, showing drill holes and surface outcrop



A block model was constructed using Datamine Studio software with a parent cell size of 50 m (E) by 10 m (N) by 10 m (RL). 2m composited drill sample grades for TGC were interpolated into the block model using inverse distance to the power of two weighting. Density values were assigned to the block model based on analysis of measurements taken in the oxide, transitional and fresh weathering state domains (2.3, 2.5 and 2.7 t/m³ respectively). The model was validated visually, graphically and statistically.

The deposit is of a simple tabular morphology (Figure 2), striking for approximately 1,300m in an east-north-east direction and dipping 45-55 degrees in a south-south-east direction. The deposit consists of a high-grade core surrounded by a lower grade halo (Figure 3). Drill lines are spaced 200m apart and intersections down dip are separated by approximately 50m. The modelling was extended to approximately 100m, with over 90% of the orebody located 100m from surface.

Figure 3 – Shimba high-grade deposit looking north-east (Isometric)

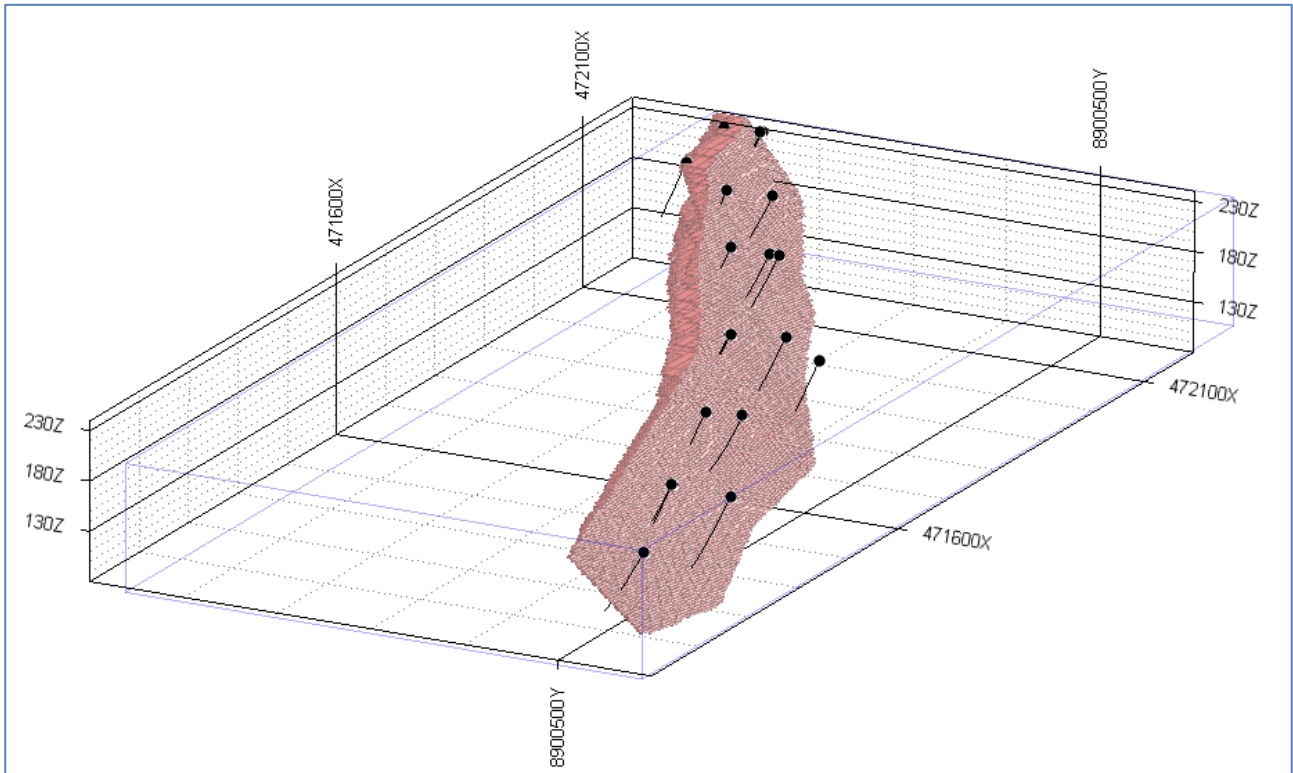
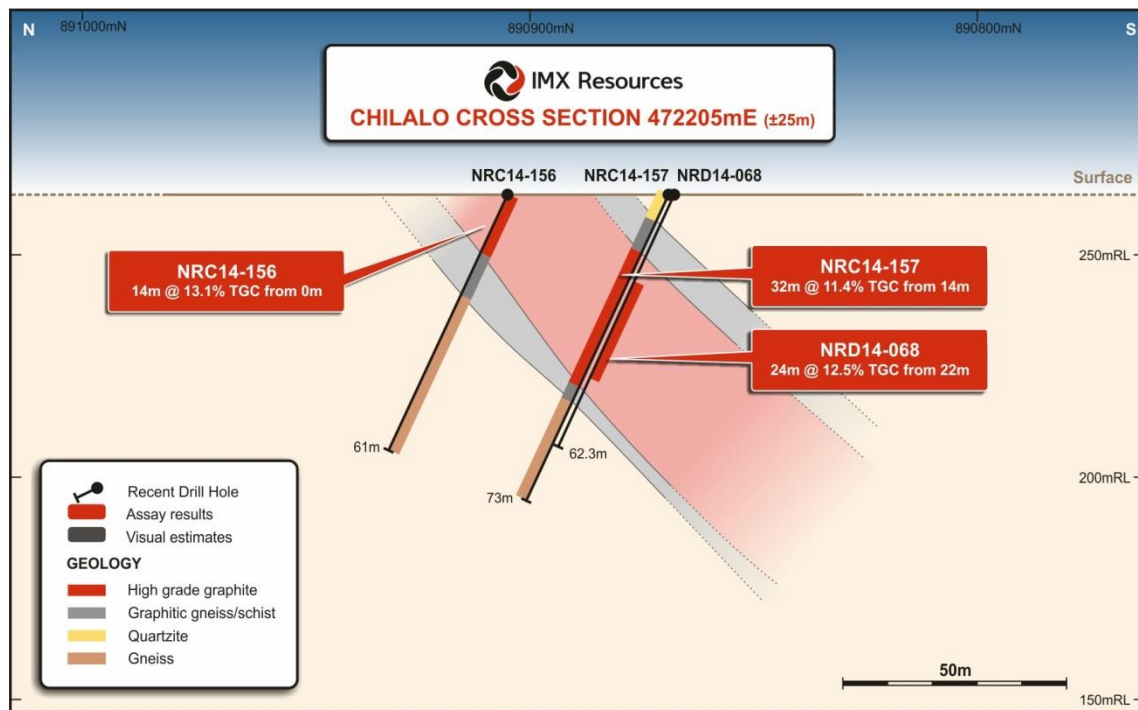


Figure 4 – Cross-section from Shimba deposit at Chilalo



Based on recent metallurgical results (see *ASX Announcement – 30 March 2015*), IMX believes this resource base has the potential to support a smaller scale operation at Chilalo (25,000–50,000tpa), producing a high quality product.

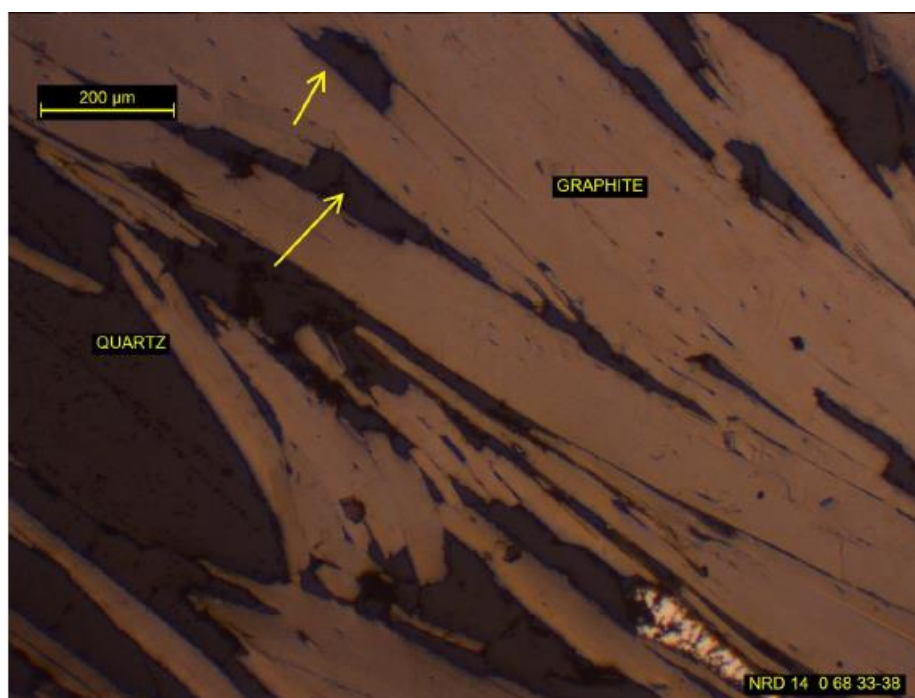
Recent preliminary metallurgical testwork has confirmed that the Chilalo mineralisation can be upgraded using simple flotation to achieve a concentrate grade of up to 97.6% total carbon.

In addition, a significant proportion of the mineralisation has been confirmed as high value jumbo or large flake size, with up to 57% of the mineralisation measuring greater than 180 microns (Figure 5).

While these results are early stage and subject to further optimisation, they compare very favourably with other graphite projects around the world and suggest excellent potential for future production from Chilalo. The concentrate grade and flake size distribution position Chilalo product at the premium end of the graphite market which attracts significantly higher prices.

IMX confirms that since announcing these exploration results on 30 March 2015, it is not aware of any new information or data that materially affects the information included in those announcements.

Figure 5 – Microphotograph of Shimba mineralisation noting the coarse nature of the graphite flakes



Resource upside

IMX believes there is significant potential to expand the current high-grade resource base, with the Shimba deposit remaining open along strike, and numerous off-hole conductors identified by Down-Hole Electromagnetic (DHEM) surveys completed on the resource drill holes.

In addition, only 6km of the total target strike of 54km has been drill tested to date. Despite the exploration upside, IMX's strategy continues to focus on a smaller scale operation in the 25,000tpa to 50,000tpa production range. An operation of this size is considered to have a number of benefits, including a lower capital cost, a more rapid timeline to production, and increased ability to raise project finance. IMX does therefore not plan to conduct further regional exploration drilling prior to establishing an operating mine.

Further drilling programs at Shimba are currently planned with the sole aim of converting the Inferred Mineral Resource to a Measured and Indicated Resource, utilising a minimum number of holes to do so. Owing to the interpreted continuity of mineralisation and grade across the Inferred Mineral Resource, a high degree of conversion to the Measured and Indicated category is expected.



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Competent Person's Statement

The information in this announcement that relates to in situ Mineral Resources for Chilalo is based on information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition).¹ Dr Scogings consents to the inclusion of such information in this announcement in the form and context in which it appears.

1. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC 2012).

About IMX Resources Limited

IMX Resources Limited is an Australian-based exploration company, listed on the Australian Securities Exchange and Toronto Stock Exchange ('TSX'), with projects located in Tanzania, east Africa.

In Tanzania, IMX controls (85%) the Nachingwea Property in south-eastern Tanzania. The Nachingwea Property lies in the world-class Mozambique Belt which is prospective for graphite, nickel, gold and copper mineralization. The Chilalo Graphite Project and the Kishugu Gold Prospect are located on the Nachingwea Property.

At Chilalo, IMX's high-grade graphite deposit, Shimba has an Inferred Mineral Resource of 7.4 million tonnes grading 10.7% Total Graphitic Carbon (TGC), for 792,000 tonnes of contained graphite (using a cut-off grade of 5% TGC). The Shimba deposit also exhibits excellent metallurgical characteristics, capable of producing a coarse flake, high-grade concentrate with excellent recoveries. IMX continues to fast track development work on its Chilalo Graphite Project.

IMX is also carrying out exploration at its Kishugu Gold Prospect as well as conducting exploration elsewhere on the large, underexplored Nachingwea Property.

IMX has entered into a Project Acquisition Agreement (the '**Agreement**') with Loricatus Resource Investments, an investment vehicle on behalf of Mauritius-based mining private equity fund, Fig Tree Resources Fund II ('**Fig Tree**'), for a joint venture covering its Ntaka Hill Nickel Project.

Under the Agreement, Fig Tree will acquire a 70.65% stake in Ntaka Hill from the IMX-managed Nachingwea JV between IMX (85%, MMG Limited 15%) for consideration of US\$6 million in cash, of which US\$2 million is paid upon receipt of key regulatory approvals and US\$4 million is paid upon successful completion by Fig Tree of additional geotechnical studies.

Fig Tree will have the right to maintain its 70.65% interest in Ntaka Hill upon sole funding all work to completion of a Definitive Feasibility Study within 5 years. If Fig Tree does not complete the study, its interest in Ntaka Hill will reduce to 50%. Should the geotechnical studies be unsuccessful, Fig Tree will then hold a 30% interest in the joint venture. The geotechnical studies are expected to be completed by August 2015.

Visit: www.imxresources.com.au

Cautionary Statement: The TSX does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

On 19 June 2014, IMX announced the appointment of Voluntary Administrators to Termite Resources NL ('Termite'). Termite was wholly-owned by an incorporated joint venture entity, the board of which comprised nominees of IMX and Taifeng Yuanchuang International Development Co., Ltd. Termite held the joint venture's interests in the Cairn Hill iron ore mine, located 55 kilometres south-west of Cooper Pedy in South Australia.

The Voluntary Administrator's final report to creditors was issued on 4 September 2014 and the second meeting of creditors took place on 15 September 2014, at which creditors voted to place Termite in liquidation. The liquidation process is continuing.

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. 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.

There can be no assurance that exploration at the Nachingwea Property, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. There can be no assurance that Fig Tree will complete geotechnical study work to its satisfaction.

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.

APPENDIX 1. DRILL HOLES USED FOR MINERAL RESOURCE ESTIMATION

Hole ID	Hole Type	Location East / North UTM:WGS84	Az / Dip	Hole Depth (m)	Drilled From	Drilled To	Interval (m)	TGC (%)
NRC14-129	RC	471092.166 / 8900404.397	360 / -65	79	24	26	2	8.04
					50	52	2	8.78
NRC14-131	RC	471683.659 / 8900528.612	360 / -65	61	-	-	-	NSR
NRC14-141D	RC	471901.425 / 8900737.780	360 / -65	67.0	28.0	52.0	24.0	11.7
				incl	30.0	44.0	14.0	14.9
	DD				66.3	92.0	25.7	AA
NRC14-149	RC	471899.805 / 8900695.804	360 / -65	73	58	73	15	11.9
				incl	60	70	10	13.7
				incl	72	73	1	13.0
NRC14-150	RC	472052.515 / 8900821.123	360 / -65	85	18	36	18	12.7
				incl	20	34	14	14.6
NRC14-151	RC	471691.088 / 8900627.547	360 / -65	79	24	44	20	7.2
				incl	32	34	2	10.7
NRC14-152	RC	471713.258 / 8900579.939	360 / -65	67	24	28	4	7.9
NRC14-153	RC	471500.634 / 8900514.330	360 / -65	91	-	-	-	NSR
NRC14-154	RC	471287.574 / 8900476.76	360 / -65	79	18	34	16	11.7
				Incl	20	26	6	13.5
				Incl	30	34	4	12.8
					46	54	8	7.7
				Incl	50	52	2	10.6
NRC14-155	RC	472047.365 / 8900770.245	360 / -65	115	56	74	18	11.9
				incl	60	68	8	14.3
				incl	70	74	4	14.1
NRC14-156	RC	472204.693 / 8900905.327	360 / -65	61	0	14	14	13.0
				incl	0	12	12	13.9
NRC14-157	RC	472208.988 / 8900866.042	360 / -65	73	14	46	32	11.4
				incl	22	36	14	14.3
				incl	38	42	4	13.7
				incl	44	46	2	10.7
NRC14-158	RC	472107.375 / 8900894.014	360 / -65	67	0	6	6	11.75

Hole ID	Hole Type	Location East / North UTM:WGS84	Az / Dip	Hole Depth (m)	Drilled From	Drilled To	Interval (m)	TGC (%)
				incl	0	4	4	12.75
NRC14-161	RC	471499.159 / 8900552.648	360 / -65	61	40	48	8	6.54
NRC14-162	RC	471281.393 / 8900411.610	360 / -65	115	70	78	8	8.92
				Incl	72	74	2	13.2
					90	98	8	6.97
NRD14-067	DD	471903.368 / 8900738.872	360 / -65	69.0	28	52	24	12.3
				incl	28	44	16	14.7
NRD14-068	DD	472208.988 / 8900866.042	360 / -65	62.3	22	46	24	12.5
				incl	22	30	8	16.8
NRD14-069	DD	471692.449 / 8900628.46	360 / -65	69.0	24	36	12	10.2
				incl	24	28	4	11.2
				incl	32	36	4	14.0
NRD14-070	DD	471287.574 / 8900476.76	360 / -65	69.0	18	34	16	10.3
				incl	18	24	6	12.1
				incl	48	64	16	7.42
				incl	48	52	4	13.2

APPENDIX 2 JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	Reverse Circulation - Reverse Circulation (RC) drilling was used to collect 1 m downhole samples for assaying. - Typically, a 1 to 2 kg sample was collected using a cone splitter. Samples were composited to 2 m and sent for LECO analyses as well as for ICP Multi-element analyses. All RC samples were submitted for analysis. - Certified Reference Materials (CRM's) and field duplicate samples were used to monitor analytical accuracy and sampling precision. - Sampling is guided by IMX Resources' standard operating and QA/QC procedures. Diamond - Samples were composited to 2 m and sent for LECO analyses as well as for ICP Multi-element analyses. All core samples were submitted for analysis. - CRM's and field duplicate samples were used to monitor analytical accuracy and sampling precision. - Sampling is guided by IMX's standard operating and QA/QC procedures. - HQ diamond core is geologically logged and sampled to corresponding RC intervals when twinning an RC hole, otherwise sampling is to geological contacts with nominal samples lengths between 0.25 and 1.5 m. Core is quarter cored by diamond blade rock saw, numbered and bagged before dispatch to the laboratory for analysis. - Core is routinely photographed.
Drilling techniques	- Diamond and RC holes were drilled in a direction to intersect the mineralisation orthogonally. - RC holes were drilled using a 140 mm face sampling hammer button bit. - The RC drilling is completed using a Schramm 450 drill rig with additional booster and auxiliary used as required to keep samples dry and produce identifiable rock chips. - Diamond drilling (HQ) with standard inner tubes. HQ diameter (63.5mm) to target depth.
Drill sample recovery	- Diamond core recoveries in fresh rock are measured in the core trays. Rock Quality Designation (RQD) is also recorded as part of the geological logging process. - Core recoveries were good – typically >95%. - Sample quality and recovery of RC drilling was continuously monitored during drilling to ensure that samples were representative and recoveries maximised. - RC Sample recovery was recorded using sample weights. - There is no discernible relationship between sample recovery and TGC grade. Diamond twinning of RC holes has demonstrated a minimal downwards bias in RC TGC grade.
Logging	- Detailed geological logging of all diamond holes captured various qualitative and quantitative parameters including mineralogy, colour, texture and sample quality. - Detailed geological logging of all RC holes captured various qualitative and quantitative parameters including mineralogy, colour, texture and sample quality. - RC holes were logged at 1 m intervals. - Logging data is collected via rugged laptops. The data is subsequently downloaded into a dedicated Datashed database for storage, hosted by a database consultant. - All diamond core has been geologically and geotechnically logged to a level of detail to support Mineral Resource estimation.
Sub-sampling techniques and sample preparation	- RC samples are drilled dry and are routinely taken in 1 m intervals with a 1–2 kg sample retrieved from a regularly cleaned cone splitter. The remainder is recovered in a larger plastic bag. 1 m samples are then composited into a 2 m sample using a laboratory deck splitter. - A small fraction of samples returned to the surface wet. These samples were dried prior to compositing. All samples were submitted for assay.

Criteria	Commentary
	- Samples were stored on site prior to being transported to the laboratory. - Samples were sorted, dried and weighed at the laboratory where they were then crushed and riffle split to obtain a sub-fraction for pulverisation. - Core is cut with a diamond saw into half core and then one half into quarter core. A quarter of the core is sent for assay, a quarter for archive and a half for metallurgical testwork. Generally, one of each of the 2 control samples (blank or standard) is inserted into the sample stream every twentieth sample.
Quality of assay data and laboratory tests	- All RC and diamond samples were submitted to ALS for both the sample preparation and analytical assay. - Samples were sent to the ALS laboratory in Mwanza (Tanzania) for sample preparation. Samples are crushed to >70% passing -2 mm and then pulverised to >85% passing -75 microns. - For all samples a split of the sample is analysed using a LECO analyser to determine graphitic carbon (ALS Minerals Codes C-IR18). - Every 20th sample is analysed using a complete sample characterisation package (CCP-PKG01). This package combines the whole rock package ME-ICP06 plus carbon and sulphur by combustion furnace (ME-IR08) to quantify the major elements in a sample. Trace elements including the full rare earth element suites are reported from three digestions with either ICP-AES or ICP-MS finish: a lithium borate fusion for the resistive elements (ME-MS81), a four acid digestion for the base metals (ME-4ACD81) and an aqua regia digestion for the volatile gold related trace elements (ME-MS42). - QC sample insertion rates are every 20th sample (1 standard, 1 blank, 1 site duplicate). Additionally 1 standard, 1 blank and 1 site duplicate will be inserted for every 20 m of mineralisation intersected. A mineralised zone is a zone greater than 5 m with a visual estimate of more than 5% graphite. Internal dilution of non-mineralisation (up to 5 m) can be included in the mineralised thickness. - Laboratory duplicates and standards were also used as quality control measures at different sub-sampling stages. - Examination of all the QA/QC data indicates that the laboratory performance has been satisfactory for both standards, with no failures and acceptable levels of precision and accuracy. CSA Global believes that laboratory accuracy and precision has been sufficiently demonstrated to use the drill assay data with a reasonable level of confidence in a MRE.
Verification of sampling and assaying	- Senior IMX geological personnel supervise the sampling, and alternative personnel verified the sampling locations. External oversight is established with the contracting of an external consultant to regularly assess on site standards and practices to maintain best practice. - Some RC holes have been twinned by diamond drilling core holes to assess the degree of intersection and grade compatibility between the dominant RC samples and the twinned core. - Assay data is loaded directly into the Datashed database which is hosted by and managed by an external database consultancy. - Visual comparisons will be undertaken between the recorded database assays and hard copy records at a rate of 5% of all loaded data. - No adjustments have been made to assay data.
Location of data points	- Drill hole collar locations have been surveyed using a handheld GPS with an accuracy of <5 m for easting, northing and elevation coordinates. - Drill hole collars were re-surveyed using a Differential GPS with an accuracy of <5 cm at the end of the program. - Collar surveys are validated against planned coordinates and the topographic surface. - Downhole surveys are conducted during drilling using a Reflex single shot every 30 m. - The primary (only) grid used is UTM WGS84 Zone 37 South datum and projection. - The topographic surface used in resource modelling has been generated from track spot heights and collar surveys. It is considered adequate for the current level of study but an accurate topographic surface will be required in future work.

Criteria	Commentary
Data spacing and distribution	- This program is the first drilling conducted in the area. A proportion of the drilling will be exploratory with spacing dictated by the location of targets interpreted from airborne Versatile Time Domain Electromagnetic Surveys (VTEM). - The spacing of infill RC drilling is aimed at determining a Mineral Resource spacing of RC drilled holes on a nominal grid of 200 m x 150 m or less up to 200 m x 200 m being deemed appropriate in most instances. Drilling will have some closer spacing in order to confirm continuity of mineralisation. - The diamond drilling spacing is variable and designed to provide ample coverage to twin the RC holes for QA/QC and collect enough mineralised material for metallurgical testwork. 1 m RC samples have been composited to 2 m for grade estimation.
Orientation of data in relation to geological structure	- All holes have been orientated to intersect the graphitic mineralisation as close to perpendicular as possible. - From surface mapping of the area and VTEM modelling, the regional foliation dips at angles of between 50 and 60 degrees to the south to south-south-west. The drilling was hence planned at a dip of -60/65 degrees oriented 315 to 360 degrees.
Sample security	The samples are packed at the drill site and sealed prior to daily transport to the local field office which has 24 hour security prior to transport by locked commercial truck carrier to ALS Mwanza. The laboratory (ALS) ships the sealed samples after preparation, to Brisbane in Australia.
Audits or reviews	An independent consultant from CSA Global, with expertise in graphite, completed a site visit prior to and upon commencement of drilling to ensure the sampling protocol met best practices to conform to industry standards.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	- The exploration results reported in this announcement are from work carried out on granted prospecting licences PL 6073/2009 which are owned by Warthog Resources Limited, a wholly owned subsidiary of IMX. - The tenements are the subject of a joint venture agreement with MMG Exploration Holdings Limited which hold an interest in the Nachingwea Property of approximately 15%.
Exploration done by other parties	- Exploration has been performed by Ngweni Limited, an incorporated subsidiary company of IMX. - Stream sediment surveys carried out historically by BHP were not assayed for the commodity referred to in the announcement.
Geology	The regional geology is comprised of late Proterozoic Mozambique mobile belt lithologies consisting of mafic to felsic gneisses interlayered with amphibolites and metasedimentary rocks. The mineralisation consists of a series of intercalated graphitic horizons within felsic gneiss (aluminous rich sediments), amphibolites (mafic sourced material) and rarely high purity marble horizons.
Drill hole Information	- All relevant drill hole information has been previously reported to the ASX. No material changes have occurred to this information since it was originally reported. - All relevant data has been reported.
Data aggregation methods	- Not relevant when reporting Mineral Resources. - No metal equivalent grades have been used.
Relationship between mineralisation widths and intercept lengths	Not relevant when reporting Mineral Resources.
Diagrams	Refer to figures within the main body of this report.
Balanced	Not relevant when reporting Mineral Resources.

Criteria	Commentary
reporting	
Other substantive exploration data	- DHEM surveys were carried out on 18 of the RC drill holes completed in 2014 by IMX's in house survey crew and equipment (EMIT probe and receiver, and Zonge transmitter). The EM responses were modelled by Resource Potentials Pty Ltd to determine the location, orientation and size of the conductors associated with graphite mineralisation. The modelled DHEM conductor plate wireframes were provided in 3D DXF format to assist in geological modelling. - All other meaningful exploration data concerning the Chilalo Project has been reported in previous reports to the ASX. - No other exploration data is considered material in the context of the Mineral Resource estimate which has been prepared. All relevant data has been described in Section 1 and Section 3 of JORC Table 1.
Further work	- Infill drilling to verify geological and grade continuity is planned. Extensional drilling to the east to test for strike extent based on surface geology mapping indications and on section to test depth extent. - Figures are provided within the main body of this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	- Data used in the Mineral Resource estimate is sourced from a database export. Relevant tables from the data base are exported to MS Excel format and converted to csv format for import into Datamine Studio 3 software. - Validation of the data import include checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.
Site visits	- A representative of the Competent Person (CP) has visited the project on several occasions, most recently in November 2014. The CP's representative was able to review drilling and sampling procedures, as well as examine the mineralisation occurrence and associated geological features. All samples and geological data were deemed fit for use in the Mineral Resource estimate. - Not applicable.
Geological interpretation	- The geology and mineral distribution of the system appears to be reasonably consistent. Data density is currently not sufficient to define structural influences and modelling will need to be refined as more data is collected. As such the CP has taken a conservative approach to Mineral Resource classification. - Drill hole intercept logging, assay results and DHEM modelling have formed the basis for the mineralisation domain interpretation. Assumptions have been made on the depth and strike extents of the mineralisation based on limited drilling and geophysical information. - The extents of the modelled zones are generally reasonably well constrained by the information obtained from the drill logging and geophysical data. Alternative interpretations are unlikely to have a significant influence on the global Mineral Resource estimate. - An overburden layer with an approximate average thickness of 4 m has been modelled based on drill logging and is depleted from the model. No other geological model for the Chilalo Project area has been generated. A mineralisation interpretation based on a nominal TGC% cut-off grade of 5% for the core higher grade lenses and a nominal 2% for the surrounding lower grade lenses has been generated. This interpretation was validated by correlation with the graphitic gneiss in lithological logging of drill holes. - Continuity of geology and grade can be identified and traced between drill holes by visual, geophysical and geochemical characteristics. The effect of any potential structural or other influences have not yet been modelled as more data is required. Confidence in the grade and geological continuity is reflected in the Mineral Resource classification.
Dimensions	The core higher grade >5% TGC mineralisation interpretation consists to two lenses. The main footwall lens strikes towards 070°, dipping roughly 50° towards 160°, with a strike length of roughly 1.3 km. The average interpreted depth is approximately 100 m and the

Criteria	Commentary
	true thickness is approximately 25 m for the eastern half and 10 m for the western half. The secondary higher grade lens is interpreted to be 700 m long in the hangingwall of the western half of the main lens. It is interpreted to be between 25 m and 90 m in depth and between 2 m and 15 m in true thickness with a similar strike and dip. The lower grade >2% TGC mineralisation lenses either enclose the higher grade lenses or are in the hangingwall above them and have similar strike and depth extents over the classified portions of the model. Some of the lower grade lenses are interpreted to continue along strike to the west for approximately 800 m, but these portions of the model are not classified due to insufficient data and therefore lower confidence. These lenses are generally about 5 m to 15 m in thickness.
Estimation and modelling techniques	• The mineralisation has been estimated using inverse distance to the power 2 (IDS) techniques due to poor variography results. • Two >5% TGC higher grade lenses and five >2% lower grade lenses were interpreted. • Samples were selected within each lens for data analysis. Statistical analysis was completed on each lens to determine if any outlier grades required top-cutting. • Statistical analysis to check grade population distributions using histograms, probability plots and summary statistics and the co-efficient of variation, was completed on each lens for the estimated element. The checks showed there were no significant outlier grades in the interpreted cut-off grade lenses. The few modestly outlying values were visually assessed and found to reflect true higher grade zones, having some continuity, but which were not large enough to separately model. These areas were checked during the model validation process to verify they did not unduly influence the grade estimation. • An OK grade estimate was completed concurrently with the IDS estimate in a number of estimation runs with varying parameters. Block model results are compared against each other and the drill hole results to ensure an estimate that best honours the drill sample data is reported. • No mining has yet taken place at these deposits. • No mining assumptions have been made. • No other elements have been estimated at this stage. • Interpreted domains are built into a sub-celled block model with a 10 m N by 50 m E by 10 m RL parent block size. Search ellipsoids for each lens have been orientated based on their overall geometry. Sample numbers per block estimate and ellipsoid axial search ranges have been tailored to geometry and data density of each lens to ensure the majority of the model is estimated within the first search pass. The search ellipse is doubled for a second search pass and increased 20 fold for a third search pass to ensure all blocks are estimated. Sample numbers required per block estimate have been reduced with each search pass. • Hard boundaries have been used in the grade estimate between each individual interpreted mineralisation lens. • Validation checks included statistical comparison between drill sample grades, the IDS estimate and the OK estimate results for each zone. Visual validation of grade trends along the drill sections was completed and trend plots comparing drill sample grades and model grades for northings, eastings and elevation were completed. These checks show reasonable correlation between estimated block grades and drill sample grades. • No reconciliation data is available as no mining has taken place.
Moisture	• Tonnages have been estimated on a dry, <i>in situ</i> basis, and samples were generally dry. No moisture values could be reviewed as these have not been captured, with core samples being dried before density measurements.
Cut-off parameters	• Visual analysis of the drill assay results demonstrated the higher grade zones interpreted at the nominal lower cut-off grade of 5% TGC corresponds to a natural grade change from lower to higher grade mineralisation. The lower cut-off interpretation of 2% TGC corresponds to natural break in the grade population distribution. IMX verbally confirmed that early indications from metallurgical testing show that the lower grade material is capable delivering good quality flake material. Since this material is also primarily located in the hangingwall, and it would need to be mined in an open cut to access deeper

Criteria	Commentary
	portions of the higher grade zones, it has been classified as Inferred as it may be possible to economically beneficiate.
Mining factors or assumptions	- It has been assumed that these deposits will be amenable to open cut mining methods and are economic to exploit to the depths currently modelled using the cut-off grade applied. - No assumptions regarding minimum mining widths and dilution have been made.
Metallurgical factors or assumptions	- Three drill cores examined in thin section contain graphite of a relatively coarse flake size, with +1 mm long dimensions common. There is a minor component of primary graphite occurring as fines in either potash feldspar or non-sillimanite bearing quartzite. - The graphite consists of three populations: i) a population of coarse millimetre-length flakes without much contamination; ii) fine graphite complexly interlayered with kaolin; and (iii) a minor population occurs as fines in feldspar and quartzite. - Metallurgical composites were prepared at SGS laboratory in Perth from diamond drill core, to form representative fresh and transitional ore samples. - The metallurgical composites were crushed to minus 3.35 mm and demonstrate that highest TC grades are in the coarse size fractions between 0.180 mm and 1.4 mm. - Flotation employing multi-stage cleaning and regrind steps of between three and five stages has achieved excellent 'product' grade (>95% TGC) with between 43% and 57% coarser than 180 micron (large to extra-large flake). - These results represent the first round of testwork that has produced high-quality graphite at high recoveries. Opportunity remains to optimise these results with further testwork aimed at coarsening the product size.
Environmental factors or assumptions	No assumptions regarding waste and process residue disposal options have been made. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions.
Bulk density	- In situ dry bulk density values have been applied to the modelled mineralisation based on the average measured values for each of the weathering zones. Of the 294 measurements taken, 30 fall within the interpreted weathered zone, 75 in the transitional zone and 189 in the fresh zone. It is recommended that additional samples are obtained in the weathered and transitional zones to ensure that model density assignments are accurate. - Density measurements have been taken on drill samples using water displacement methods from all different lithological types. - It is assumed that use of the average measured density for each of the different weathering zones is an appropriate method of representing the expected bulk density for the deposit.
Classification	- Classification of the Mineral Resource estimates was carried out taking into account the level of geological understanding of the deposit, quality of samples, density data and drill hole spacing. - The Mineral Resource estimate has been classified in accordance with the JORC Code, 2012 Edition using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table. - Overall the mineralisation trends are reasonably consistent over numerous drill sections. - The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate. No external audits have been undertaken.
Discussion of relative accuracy/ confidence	- The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. - The Mineral Resource statement relates to global estimates of <i>in situ</i> tonnes and grade.