

29 January 2016

Report for the Quarter ended 31 December 2015

Highlights

Chilalo Graphite Project

- Pre-Feasibility Study confirms Chilalo as a market leading graphite project that compares favourably on all key metrics:
 - High margins, low capital intensity
 - Pre-tax IRR of 62% and pre-tax NPV of US\$200 million
 - Average annual EBITDA of US\$47 million over 10 year mine life
 - Pre-tax payback period of 1 year and 7 months
- Updated Mineral Resource Estimate delivers substantial upgrade of the high-grade Shimba Mineral Resource to 9.2Mt grading 10.7% Total Graphitic Carbon (**TGC**), comprising:
 - Indicated Resource of 5.1Mt grading 11.9% TGC
 - Inferred Resource of 4.1Mt Grading 9.1% TGC
- Feedback from end users establishes that Chilalo Graphite has a world class rate of expansion.
- Commencement of independent testwork to confirm the suitability of Chilalo Graphite to a range of product applications.
- Discussions at an advanced stage with end user regarding offtake, binding agreements targeted for the first half of 2016.

Kishugu and Naujombo Gold Prospects

- Test pitting program at Kishugu identifies strong gold anomalism, consistent with results of previous soil sampling.
- Extensional soil sampling at Naujombo defines a gold anomaly likely to extend to over 5km by 1km.

Corporate

- IMX Board commits to restructure of Tanzanian asset portfolio, to unlock the significant value in the world-class Chilalo Graphite Project, which it believes is best achieved through the ASX listing of a standalone graphite company, with IMX to retain gold and base metals assets.
- Announcement of a one for three non-renounceable entitlement offer to shareholders to raise approximately \$1.54 million – at closing on 18 January 2016, acceptances for a total of 90,648,950 shares had been received, raising \$362,596.

EXPLORATION and DEVELOPMENT

1. Chilalo Graphite Project

The Company continued to advance its Chilalo Graphite Project during the Quarter, key progress including:

- Completion of Pre-feasibility Study ('PFS')
- Upgraded Mineral Resource Estimate
- Commencement of downstream testwork on the suitability of Chilalo Graphite for target markets
- Ongoing positive discussions with parties interested in financing and offtake
- Completion of work required for environmental approval

Delivery of positive PFS

The Company made significant progress on its Chilalo Graphite Project during the Quarter, with the key achievement being delivery of the Pre-Feasibility Study which highlighted the high quality nature of the project, and its ability to deliver attractive returns.¹

The purpose of the PFS was to assess the viability of an operation producing a high quality flake graphite product with a particular focus on low capital and operating costs and ease of execution.

The PFS confirmed that the Base Case, producing 69,000 tonnes per year, can be delivered for a total pre-production capital cost of US\$73.8 million, while the FOB operating costs of US\$490 per tonne ensure the Project is highly competitive with similar scale projects. These factors combined to generate excellent project economics, including:

- Pre-tax NPV of US\$200 million
- Pre-tax IRR of 62%
- Pre-tax payback period of 1 year and 7 months

These results can be attributed to the high grade of the Chilalo Mineral Resource, close proximity to existing infrastructure and Chilalo's outstanding product specifications, with significant proportions of large and jumbo flake graphite, which yielded an attractive forecast basket price of US\$1,217 per tonne.

Figures 1 and 2 below demonstrate how favourably the Chilalo Project compares with other developing graphite projects and the attractive operating and capital cost outcomes of the PFS. The comparisons excluded projects in production and those projects targeting annual production of greater than 120,000 tonnes per year as they are not considered to be comparable to the Chilalo PFS base case.

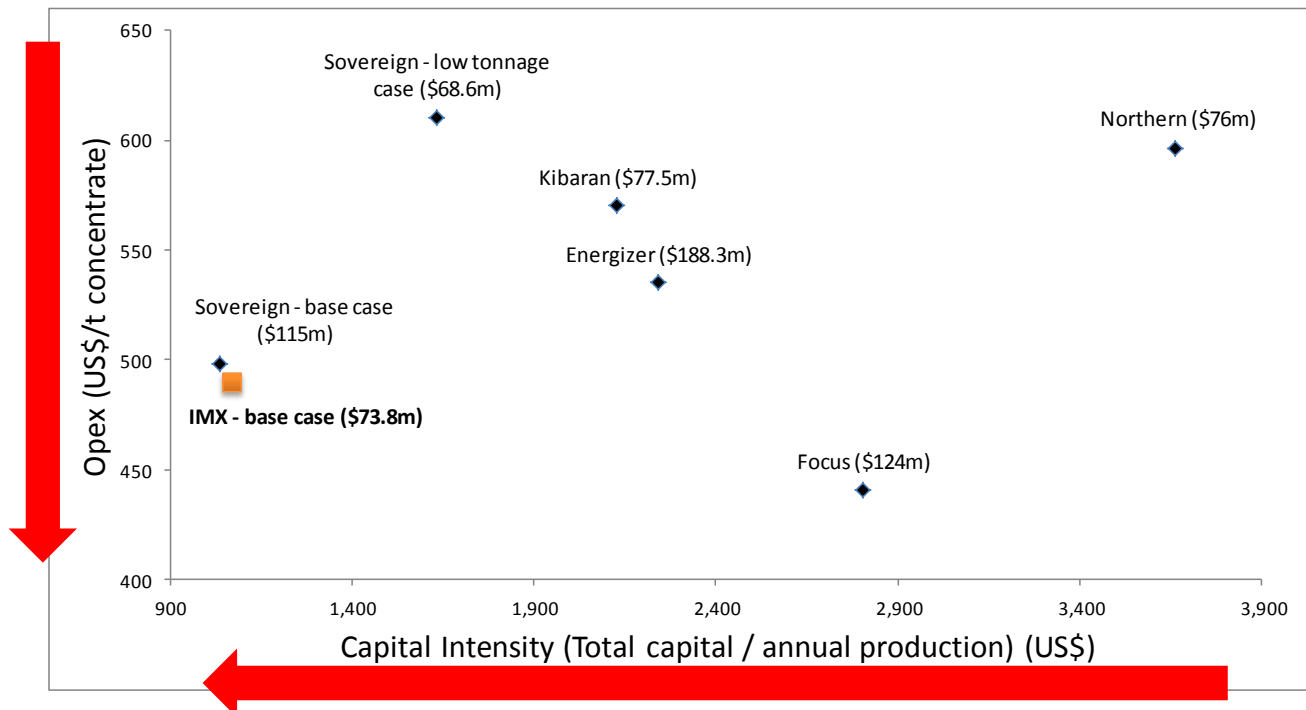
Unit operating costs and capital intensity ratios are largely driven by production volumes. As a result, for the purposes of comparison, only projects with a similar scale to Chilalo have been used and larger scale projects proposed by companies such as Syrah Resources, Triton Minerals and Magnis Resources have been excluded.

IMX is confident that it can generate unit operating costs and a capital intensity ratio that are comparable to such larger scale projects should it seek to increase its scale of production at Chilalo. The Company

¹ The Company confirms that all material assumptions underpinning the production targets and forecast financial information in the PFS announced on 23 November 2015 continue to apply and have not materially changed.

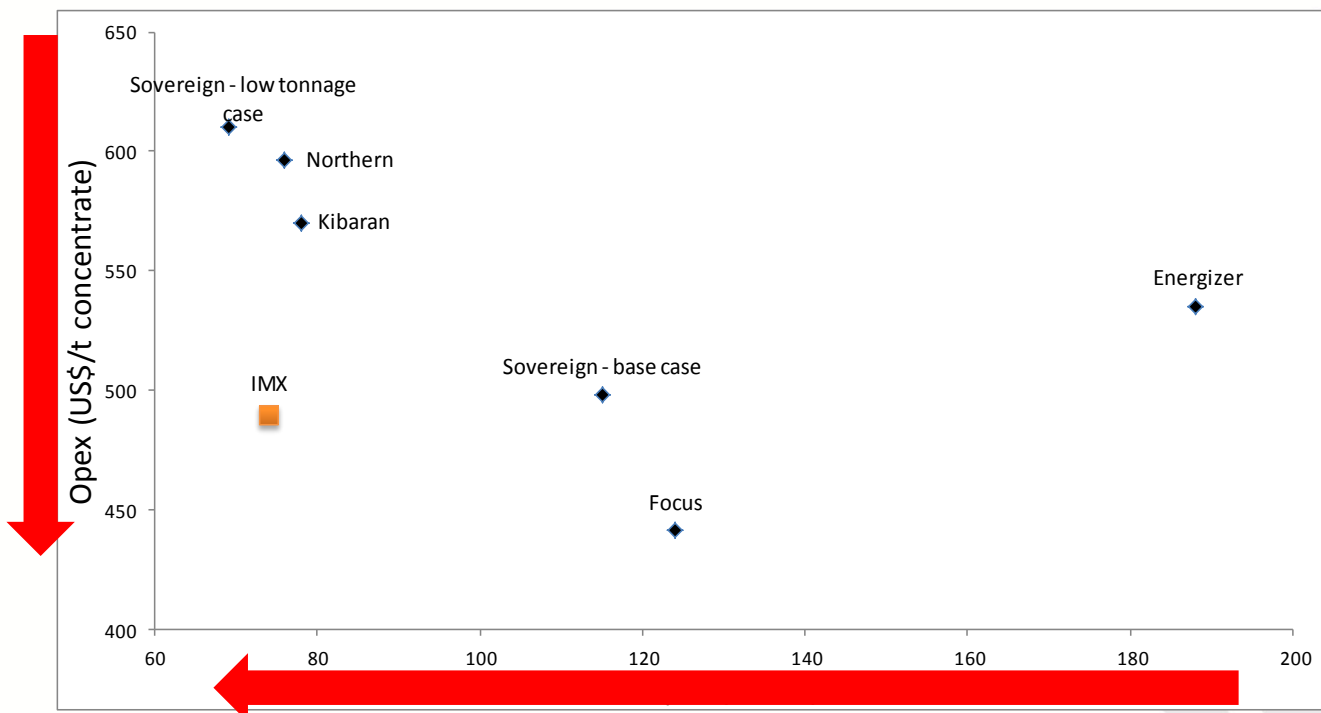
believes that the proposed size of the Chilalo Project would have a number of advantages over a larger scale development, including a lower capital cost, a more rapid timeline to production, greater ease of selling all the product and increased ability to raise project finance.

Figure 1. Capital Intensity v Operating Cost per tonne (<120kpta Projects, Total Capital in Brackets)



Amounts are in US\$. Exchange rates for TSX listed companies with CAD figures was 1:0.75.

Figure 2. Total Capital Cost Vs Operating Costs per tonne (<120kpta Projects)



Amounts are in US\$. Exchange rates for TSX listed companies with CAD figures was 1:0.75.

There is an opportunity to significantly improve project economics with further metallurgical testwork, not only on optimisation of work already completed, but on low-grade and oxide ore which is expected to confirm the amenability of such material to commercial processing and enable improved recoveries and product specifications. Completion of this testwork would then allow for design enhancements and Definitive Feasibility Study ('DFS') engineering work.

The Company sought to move quickly from the high-level study completed in March this year to a PFS that would enable a smooth transition to a DFS. This has allowed for a significant amount of information to be gathered that will allow for a DFS to be more readily finalised.

Upgraded Mineral Resource Estimate

During the Quarter, the Company completed an upgraded estimate for the high-grade Shimba resource, following the conversion of 62% of the Mineral Resource to the Indicated category.

The upgraded Mineral Resource estimate for the high-grade zone (>5% TGC) of the Shimba deposit of 9.2 million tonnes grading 10.7% TGC for 984,100 tonnes of contained graphite has increased total contained graphite by 24% and is comprised of:

- Indicated Resource of 5.1 Mt grading 11.9% TGC for 613,800 tonnes of contained graphite; and
- Inferred Resource of 4.1 Mt grading 9.1% TGC for 370,300 tonnes of contained graphite.

The high-grade resource is part of the total Indicated and Inferred Shimba Mineral Resource estimate of 25.1 Mt, which includes a low-grade Inferred Resource of 15.9 million tonnes grading 3.3% TGC for 523,000 tonnes of contained graphite.²

Table 1. Shimba deposit Indicated & Inferred Mineral Resource Estimate

Domain	Classification	Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High-grade zone	Indicated	5.1	11.9	613.8
	Inferred	4.1	9.1	370.3
Total high-grade resource	Indicated + Inferred	9.2	10.7	984.1
Low-grade zone	Inferred	15.9	3.3	523.0
Total resource	Indicated + Inferred	25.1	6.0	1,507.2

The Company believes there is significant potential to expand the current high-grade resource base, with the Shimba deposit remaining open along strike and at depth. Electromagnetic surveys at Chilalo, including Versatile Time Domain, Fixed Loop and down-hole surveys have highlighted a number of high-conductance targets, none of which have been tested by drilling or sampling.

Downstream testwork to confirm target markets for Chilalo Graphite

During the quarter, a bulk sample of Chilalo product was provided to the Wuhan Technology Institute (WTI) in China to conduct testwork to confirm the suitability of Chilalo Graphite to the markets and applications

² Since announcing the Mineral Resource estimate on 13 October 2015, IMX confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in that announcement continue to apply and have not materially changed.

that IMX intends to target. WTI is a respected and well recognised independent Chinese laboratory with significant graphite expertise in providing independent testing, analysis and advice to both graphite miners and end users.

Chilalo Graphite has a significant portion of jumbo and super jumbo flake material which is especially suited to the production of expandable graphite, a high-margin market which is expected to be the cornerstone of IMX's graphite business.

The significant portion of jumbo flake provides IMX with exposure to the expandable graphite market, the main markets for which are the premium priced graphite foil / sheet markets, gaskets and flame retardants as well as the rapidly growing market for flame retardant building products. Orders for expandable graphite in China are subject to long lead times and prepayments are being made many months in advance of delivery.

The Company has received feedback from end users who have conducted their own expandability testwork that the expansion ratio of Chilalo Graphite is world class. The WTI testwork is expected to confirm the suitability of Chilalo Graphite to this market.

Strong progress on securing financing and offtake agreements

The Company continues to receive positive feedback from end users and intermediaries on the quality of Chilalo material and the commercial potential of the Chilalo Project. During the Quarter, the Company further progressed initiatives to secure financing and offtake for Chilalo and discussions with a targeted end user are at an advanced stage.

Permitting for development of the Chilalo Project

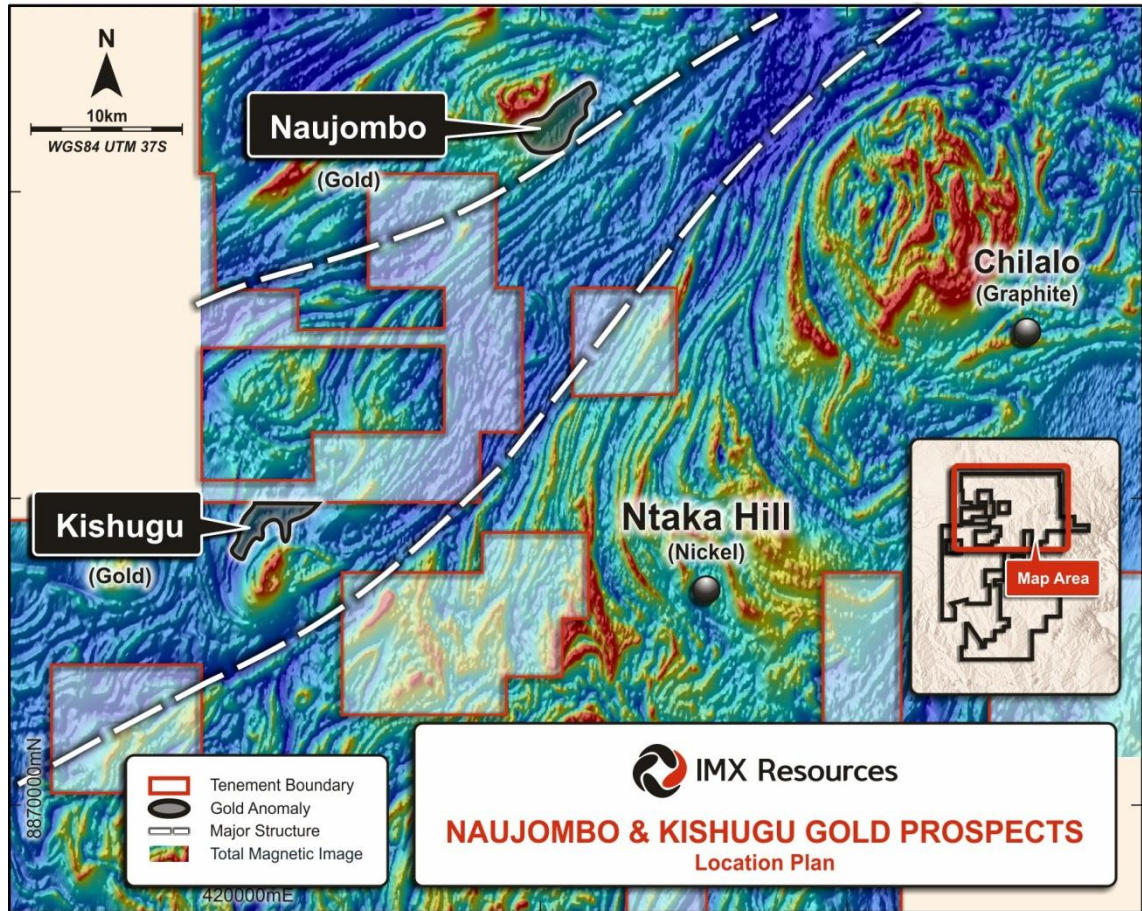
Owing to a delay in the appointment of a new minister responsible for the environment following the general election (the Cabinet was not finalised until mid-December) and the Christmas-New Year holiday period, securing the Environmental Certificate for development of Chilalo has taken longer than anticipated. The Company now expects to receive the Environmental Certificate in February, which with the recently completed PFS, will allow for submission of a mining licence application.

2. Kishugu and Naujombo Gold Prospects

Low-cost exploration programs were conducted during the Quarter at both Kishugu and Naujombo. The exploration programs involved test pitting at Kishugu and extensional soil sampling at Naujombo, with results further confirming Kishugu and Naujombo as outstanding gold targets.

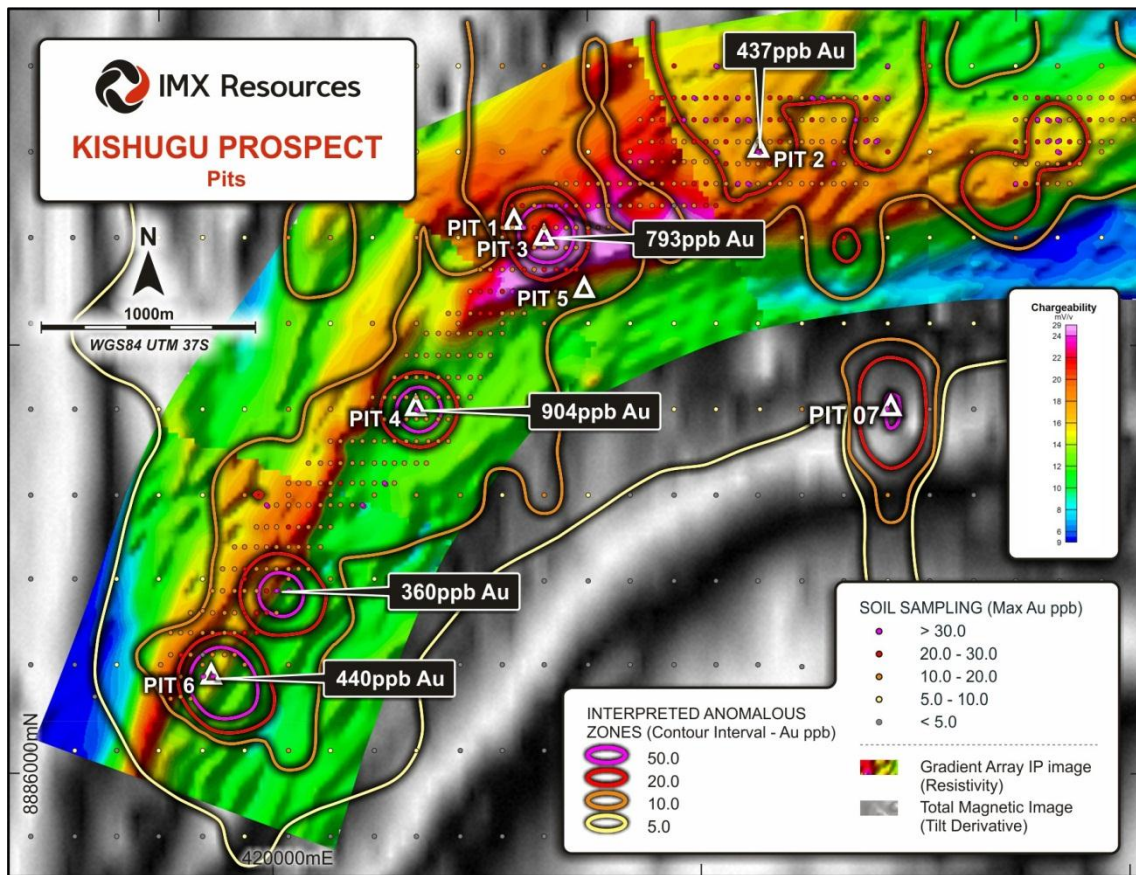
Figure 3 shows that Kishugu and Naujombo are associated with the same structural corridor and both anomalies exhibit very similar multi-element signatures (arsenic, bismuth and silver).

Figure 3. Location of Kishugu and Naujombo within the broader Nachingwea property



At Kishugu, seven test pits were dug to a depth of 7m to 9m, six of which were situated on different targets within the anomaly and a seventh control pit that was located outside the anomaly (see Figure 4).

Figure 4. Kishugu Prospect showing IP Conductivity, gold in surface soils and location of test pits



Downhole channel samples were taken at 1m intervals in each pit and assay results show strong gold anomalies in all holes except the control pit (Pit 7). The results shown below in Table 2 confirm the strong anomalism indicated by the previous soil sampling program.³

Table 2: Gold (ppb) in channel samples from test pits

From (m)	To (m)	Pit 1	Pit 2	Pit 3	Pit 4	Pit 5	Pit 6	Pit 7
0	1	11	38	11	12	13	38	2
1	2	14	61	11	13	13	34	1
2	3	12	26	11	11	16	32	<1
3	4	11	27	9	11	13	32	<1
4	5	2	46	6	9	9	49	1
5	6	6	6	3	6	12	15	<1
6	7	2	9	3	3	1	10	<1
7	8	8	n/a	n/a	n/a	3	n/a	n/a
8	9	n/a	n/a	n/a	n/a	2	n/a	n/a

³ Since announcing these exploration results on 30 November 2015, IMX confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

At Naujombo, a program of extensional soil sampling was completed. The soil samples were analysed using a Niton X-Ray Fluorescence analyser ('Niton'). Although the detection limits on the Niton are too high to detect gold directly, there are other proxy elements which can infer anomalism associated with gold. The results of the Niton analysis show that arsenic levels at Naujombo most closely correlate to existing laboratory analysed gold data and have extended the anomaly further to the south-east for more than 1km, extending the anomaly to over 6km (see Figures 5 and 6).⁴

Figure 5. Previous results of soil sampling at Naujombo

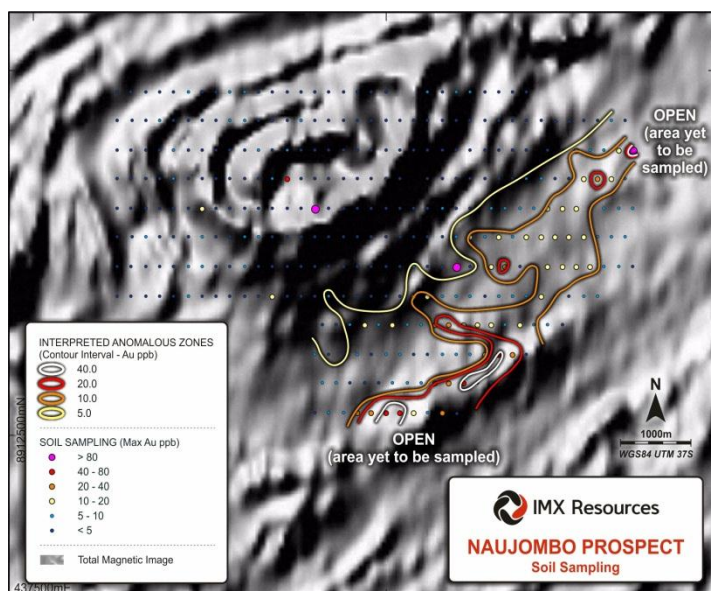
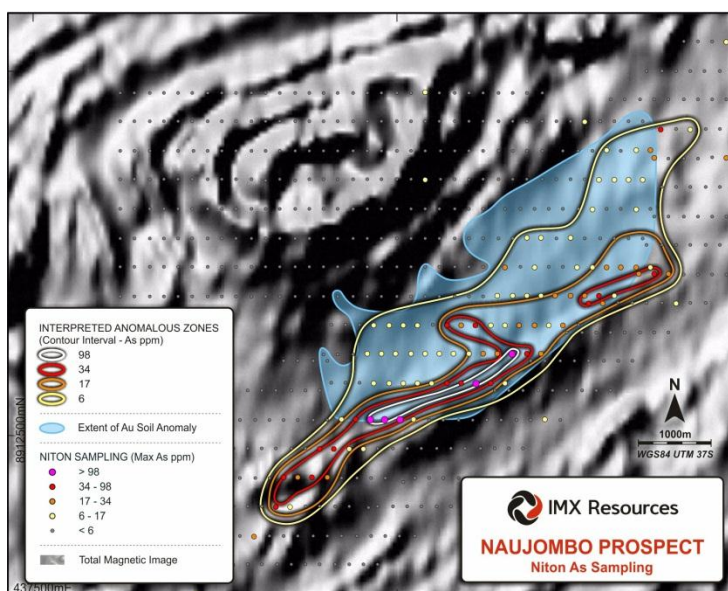


Figure 6. Arsenic results from Niton testing at Naujombo



The Company believes that the work carried out at Kishugu and Naujombo represents an efficient use of limited funds, given the very large scale of these two prospects and has enhanced the Company's understanding of their potential, provided valuable information to assist in determining appropriate and cost-effective drilling techniques and will enable identification of drill ready targets.

CORPORATE

Proposed Restructure of Asset Ownership

Following an extensive review, the IMX board of directors (the '**IMX Board**') committed to a proposed restructure of its Tanzanian asset portfolio (the '**Proposed Restructure**') in order to better realise the significant value in both its Chilalo Graphite Project and its base and precious metals assets.

The Proposed Restructure will see the flagship Chilalo Project become the primary asset and key focus of a new ASX listed company ('**NewCo**'), while IMX would retain the existing gold and base metals assets at the Company's Nachingwea Property in south-east Tanzania.

The Proposed Restructure will therefore have the effect of creating two distinct companies:

⁴ Since announcing these exploration results on 30 November 2015, IMX confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

- A graphite company (NewCo) committed to fast tracking Chilalo towards production, with an immediate priority on completing offtake and financing agreements and a Definitive Feasibility Study; and
- A base and precious metals company with a controlling 70% interest in the substantial Ntaka Hill nickel project and the exciting early stage gold and nickel exploration targets (IMX).

The IMX Board believes that the Proposed Restructure has strong merit given the substantial progress that has been made with the Chilalo Project during 2015, and based on considerable market feedback that a simplified corporate strategy would provide a greater opportunity for the significant embedded value of Chilalo to be realised.

The Proposed Restructure would see NewCo acquire the Chilalo Project from IMX. Existing IMX shareholders who remain on the IMX share register on the record date (to be confirmed) would be eligible to receive shares in NewCo via an in-specie distribution.

In order to fund the acquisition and ongoing development of Chilalo, NewCo would undertake a capital raising as part of the listing process. The capital raising would likely include a form of priority offer to existing IMX shareholders, whilst also providing an opportunity for new investors to invest in a 'pure-play' graphite company focussed solely on the Chilalo Project. IMX believes the Proposed Restructure would attract strong investor interest and initial discussions with brokers/underwriters and potential cornerstone investors have been highly encouraging.

Both NewCo and IMX would have a dedicated board and management team, although it is anticipated that both companies would share administrative services and in-country resources in order to minimise costs.

The Company is aiming to complete the Proposed Restructure by the end of April 2016, at which time NewCo will take control of the Chilalo Project. The Company expects to shortly receive environmental approval for the development of Chilalo and this will pave the way for submission of a mining licence application, which the Company anticipates will be in place prior to completion of the Proposed Restructure.

Pro rata entitlement offer

On 29 December 2015, the Company announced the commencement of a non-renounceable *pro rata* entitlement offer to eligible shareholders on the basis of one share at an issue price of 0.4 cents for every three fully paid ordinary shares, to raise approximately \$1.54 million before costs (the '**Entitlement Offer**').

Proceeds from the Entitlement Offer will be used primarily to fund the Proposed Transaction as well as to continue marketing the Chilalo Graphite Project in order to achieve binding offtake and financing agreements and to meet tenement holding costs.

The Entitlement Offer closed on 18 January 2016 at which time the Company had received acceptances for a total of 90,648,950 shares raising \$362,596. The number of shares offered under the Entitlement Offer was 386,395,872 shares, resulting in a shortfall of 295,746,922 shares (the '**Shortfall Shares**').

The Company has received expressions of interest from a number of brokers in participating in the shortfall offer, giving it confidence in its ability to place the Shortfall Shares.

Cash position

As at 31 December 2015, IMX had cash at bank of \$0.7 million. As noted, subsequent to the end of the Quarter, the Company received proceeds of \$362,596 from the Entitlement Offer and expects to place the Shortfall Shares, the completion of which would raise a further \$1.18 million.

Ntaka Hill Nickel Project (IMX 70%, Fig Tree 30%)

During the Quarter, under the Project Acquisition Agreement with Fig Tree Resources Fund II (**'Fig Tree'**) to establish a joint venture over the Ntaka Hill Nickel Project, IMX had the right to buy back the 30% joint venture interest earned by Fig Tree at the higher of Fig Tree's investment cost and fair market value (the **'Buy-Out Right'**).

IMX has not exercised the Buy-Out Right and as a result, Fig Tree now has a further two month period from 7 January 2016 to pay the Deferred Consideration of US\$4 million and continue with the transaction currently contemplated between Fig Tree and IMX.

Fig Tree continues to hold a 30% interest in the joint venture, with IMX holding 70% and retaining management and control of the Ntaka Hill Project.

Annual General Meeting

The Company held its Annual General Meeting on 26 November 2014. A total of six resolutions were put to shareholders, all of which were passed.

Appointment of Managing Director

In October 2015, Phil Hoskins was appointed as Managing Director of the Company. Mr Hoskins had held the role of Chief Executive Officer since September 2014 and prior to that, spent almost three years as the Company's Chief Financial Officer.

Update on Liquidation of Termite Resources NL

In September 2015, the Company received a letter of demand from the liquidators of Termite Resources NL (**'Termite'**), providing notice of a potential claim against directors and officers of Termite as well as against the Company itself.

Since receiving the Letter of Demand, IMX has engaged legal counsel and corresponded with the liquidators to vigorously defend its position and maintains that the Claims made against it are more likely to fail than succeed.

The Company believes that its liability in relation to the potential claim from the Termite liquidators will be limited to legal costs incurred in defending the matter, which are estimated to be approximately a maximum of \$450,000 even in the event that proceedings were notified and a trial took place.

Subsequent to the end of the Quarter, the Company entered into a Standstill Deed with the Liquidators, which can be summarised as follows: IMX and the Individual Defendants have requested that Termite give further consideration of whether to proceed with the Claims against IMX. Termite, at the request of IMX and the Individual Defendants, is agreeable to deferring the institution of proceedings against IMX in order to further consider the position as between IMX and Termite.

The Company maintains that the claims against IMX are without merit and it is a positive development to have reached agreement with the Liquidator on the Standstill Deed.

TENEMENT INTERESTS

Table 3. Tenements Held and Location

Tenement	Ownership	Project	Location
PL4917/2008 - Mbangala	100%*	Nachingwea	Tanzania
PL4918/2008 - Lukumbi	100%*	Nachingwea	Tanzania
PL5447/2008 - Noli SE	100%*	Nachingwea	Tanzania
PL5977/2009 - Naujombo	100%*	Nachingwea	Tanzania
PL6073/2009 - Chilalo	100%*	Nachingwea	Tanzania
PL6148/2009 - Mbwemburu North	100%*	Nachingwea	Tanzania
PL6149/2009 - Chilalo West	100%*	Nachingwea	Tanzania
PL6158/2009 - Kiperere East	100%*	Nachingwea	Tanzania
PL6397/2010 - Kipepere West	100%*	Nachingwea	Tanzania
PL6409/2010 - Rappa	100%*	Nachingwea	Tanzania
PL6412/2010 - Muijra	100%*	Nachingwea	Tanzania
PL6414/2010 - Kihangara	100%*	Nachingwea	Tanzania
PL6467/2010 - Nepanga	100%*	Nachingwea	Tanzania
PL6634/2010 - Mihumo	100%*	Nachingwea	Tanzania
PL6635/2010 - Nachingwea NW	100%*	Nachingwea	Tanzania
PL7095/2011 - Nditi	100%*	Nachingwea	Tanzania
PL8627/2012 - Lumpumbulu	100%*	Nachingwea	Tanzania
PL8628/2012 - Kipendengwa	100%*	Nachingwea	Tanzania
PL8754/2012 - Chikoweti	100%*	Nachingwea	Tanzania
PL8811/2013 - Chimbo	100%*	Nachingwea	Tanzania
PL9397/2013 - Mtimbo South	100%*	Nachingwea	Tanzania
PL9442/2013 - Nachi West	100%*	Nachingwea	Tanzania
PL9557/2014 - Nachunguru	100%*	Nachingwea	Tanzania
PL9686/2014 - Noli East	100%*	Nachingwea	Tanzania
PL9742/2014 - Lionja	100%*	Nachingwea	Tanzania
PL9743/2014 - Mnero	100%*	Nachingwea	Tanzania
PL9744/2014 - Chiwind	100%*	Nachingwea	Tanzania
PL9747/2014 - Mtpula West	100%*	Nachingwea	Tanzania
PL9749/2014 - Chihula	100%*	Nachingwea	Tanzania
PL9757/2014 - Mihumo West	100%*	Nachingwea	Tanzania
PL9758/2014 - Namatumbusi	100%*	Nachingwea	Tanzania
PL9759/2014 - Mjembe	100%*	Nachingwea	Tanzania
PL9760/2014 - Likongowere	100%*	Nachingwea	Tanzania
PL9812/2014 - Lipuyu	100%*	Nachingwea	Tanzania
PL9886/2014 - Chemchem	100%*	Nachingwea	Tanzania
PL9888/2014 - Kihangara SE	100%*	Nachingwea	Tanzania
PL9920/2014 - Mtua Central	100%*	Nachingwea	Tanzania
PL9921/2014 - Nalengwe	100%*	Nachingwea	Tanzania

Tenement	Ownership	Project	Location
PL9922/2014 - Matambare North	100%*	Nachingwea	Tanzania
PL9924/2014 - Mtua	100%*	Nachingwea	Tanzania
PL9925/2014 - Namarongo	100%*	Nachingwea	Tanzania
PL9926/2014 - Nambu East	100%*	Nachingwea	Tanzania
PL9927/2014 - Lipuyu North	100%*	Nachingwea	Tanzania
PL9928/2014 - Nangano	100%*	Nachingwea	Tanzania
PL9929/2014 - Chikwale	100%*	Nachingwea	Tanzania
PL9930/2014 - Lukumbi West	100%*	Nachingwea	Tanzania
PL9931/2014 - Mtpula Central	100%*	Nachingwea	Tanzania
PL9933/2014 - Nakihungu West	100%*	Nachingwea	Tanzania
PL9935/2014 - Mbondo North	100%*	Nachingwea	Tanzania
PL9936/2014 - Lionja West	100%*	Nachingwea	Tanzania
PL9937/2014 - Naolo North	100%*	Nachingwea	Tanzania
PL9938/2014 - Kiperere Central	100%*	Nachingwea	Tanzania
PL9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL9940/2014 - Nanyindwa West	100%*	Nachingwea	Tanzania
PL9941/2014 - Namakungu	100%*	Nachingwea	Tanzania
PL9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania
PL9943/2014 - Namatumbusi West	100%*	Nachingwea	Tanzania
PL9944/2014 - Namarongo North	100%*	Nachingwea	Tanzania
PL9945/2014 - Noli	100%*	Nachingwea	Tanzania
PL9946/2014 - Machangaja	100%*	Nachingwea	Tanzania
PL9947/2014 - Lukuledi East	100%*	Nachingwea	Tanzania
PL9948/2014 - Mnero East	100%*	Nachingwea	Tanzania
PL9949/2014 - Namatutwa North	100%*	Nachingwea	Tanzania
PL10097/2014 - Mtpula	100%*	Nachingwea	Tanzania
PL10098/2014 - Nambu	100%*	Nachingwea	Tanzania
PL10099/2014 - Nanyindwa	100%*	Nachingwea	Tanzania
PL10100/2014 - Lukuledi	100%*	Nachingwea	Tanzania
PL10107/2014 - Nambu	100%*	Nachingwea	Tanzania
PL10108/2014 - Namajani	100%*	Nachingwea	Tanzania
PL10113/2014 - Nachihangi	100%*	Nachingwea	Tanzania
PL10114/2014 - Naujombo South	100%*	Nachingwea	Tanzania
PL10238/2014 - Mbangala West	100%*	Nachingwea	Tanzania
PL10239/2014 - Lukumbi West	100%*	Nachingwea	Tanzania
PL10240/2014 - Chikwale East	100%*	Nachingwea	Tanzania
PL10301/2014 - Kishugu Gap	100%*	Nachingwea	Tanzania
PL10302/2014 - Namatutwa	100%*	Nachingwea	Tanzania
RL0017/2015 - Ntaka Hill	86%***	Nachingwea	Tanzania

Tenement	Ownership	Project	Location
PL7226/2011 – Ntaka South	100%***	Nachingwea	Tanzania
Claim Block 4242	50% **	St Stephen	New Brunswick, Canada
Claim Block 5787	50% **	St Stephen	New Brunswick, Canada

* Subject to farm-in joint venture with MMG

** Subject to 50/50 joint venture with ABE Resources

*** Subject to farm-in JV with MMG and JV transaction with Fig Tree

Tenements Acquired During the Quarter

No new tenements were acquired during the Quarter.

Tenements Disposed During the Quarter

The following tenements were either surrendered or expired without renewal during the Quarter:

- PL 8625/2012 – Nambu West
- PL 8626/2012 – Nambu East
- PL 8748/2012 – Kihue
- PL 8812/2012 – Mbemba
- PL 5971/2009 – Matambare
- PL 5978/2009 – Kihangara North
- PL 6153/2009 – Mbwemburu
- PL 6154/2009 – Nachingwea SW
- PL 6156/2009 – Noli Sw
- PL 6161/2009 – Mtimbo

Farm-in Agreements

As at 31 December 2015, IMX held an 85.8% interest in the Nachingwea Property which is the subject of a farm-in agreement with MMG, who holds the remaining 14.2%.



Phil Hoskins
Managing Director

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About IMX Resources Limited

IMX Resources is an Australian minerals exploration company that holds a 5,400 km² tenement package at the Nachingwea Property in south-east Tanzania. The Nachingwea Property hosts the Chilalo Graphite Project, the Ntaka Hill Nickel Project and the Kishugu and Naujombo Gold Prospects. IMX's primary focus is on developing the high-grade and coarse flake Chilalo Graphite Project. The Pre-Feasibility Study ('PFS') released on 23 November 2015 outlined a low cost, high margin operation, with attractive project economics and confirmed the potential viability of a small scale open pit mining and conventional flotation processing operation. The PFS is based on a high-grade Indicated and Inferred JORC Mineral Resource of 9.2 Mt grading 10.7% Total Graphitic Carbon ('TGC'), comprised of an Indicated Resource of 5.1 Mt grading 11.9% TGC for 613,800 tonnes of contained graphite and an Inferred Resource of 4.1 Mt grading 9.1% TGC for 370,300 tonnes of contained graphite. Chilalo is located approximately 220 km by road, from the deep water commercial Mtwara Port, the majority of which is a sealed main road. IMX aims to become a respected supplier of high quality graphite.

To find out more, please visit www.imxresources.com.au.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

IMX Resources Limited

ABN

67 009 129 560

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter December 2015 \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,371)	(3,572)
	(b) project development	-	-
	(c) production	-	-
	(d) administration	(808)	(1,531)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	9
1.5	Interest and other costs of finance paid	-	-
1.6	Research and Development cash rebate	390	390
1.7	Other	31	43
Net Operating Cash Flows		(1,753)	(4,661)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(25)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Security Bonds movement	-	-
	- Cash from partial disposal of tenement under Joint Venture Agreement	-	-
Net investing cash flows		-	(25)
1.13	Total operating and investing cash flows (carried forward)	(1,753)	(4,686)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,753)	(4,686)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,639
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Repayment of borrowings – related party	-	-
1.17	Proceeds from JV partner	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	- Finance costs	-	-
	Net financing cash flows	-	3,639
	Net increase (decrease) in cash held	(1,753)	(1,047)
1.20	Cash at beginning of quarter/year to date	2,450	1,745
1.21	Exchange rate adjustments to item 1.20	(1)	(2)
1.22	Cash at end of quarter	696	696
Explanation necessary for an understanding of the transactions			

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	110
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Directors' fees and wages. Increase in the current quarter due to the CEO being appointed to Managing Director.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	840
4.2 Development	-
4.3 Production	-
4.4 Administration	650
Total	1,490

Appendix 5B

Mining exploration entity quarterly report

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	696	2,450
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		696	2,450

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	PL8625/2012 PL8626/2012 PL6153/2009 PL8812/2012 PL5971/2009 PL5978/2009 PL6153/2009 PL6154/2009 PL6156/2009 PL6161/2009	100%	Nil
6.2	Interests in mining tenements acquired or increased	Nil	N/A	N/A

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference ⁺ securities (description)	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	⁺Ordinary securities	1,159,187,617	1,159,187,617		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-back	850,000	850,000	Nil	Nil
7.5	⁺Convertible debt securities (description)	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,050,000 2,690,451 738,478 2,366,918 5,000,000 1,500,000 6,000,000 5,000,000		Exercise price 27 cents 17.4 cents 9.59 cents 8.05 cents 1.7 cents 1.2 cents 1.2 cents 3.0 cents	Expiry date 23.08.17 02.01.16 30.05.16 29.06.16 29.12.16 11.03.17 14.07.17 17.09.18
7.8	Issued during quarter	1,166,666 6,083,263 6,766,523 26,730,000		Nil Nil Nil Nil	15.12.25 15.12.25 15.12.25 15.12.25
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	500,000		45 cents	14.11.15
7.11	Debentures (totals only)	Nil			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (<i>totals only</i>)	Nil			
7.13	Performance Rights (<i>totals only</i>) (<i>Vesting dependent on achievement of performance criteria</i>)	3,264,065	-	N/A	N/A
	Share Appreciation Rights (<i>totals only</i>) (<i>Vesting dependent on achievement of performance criteria</i>)	29,654,100		Base Price 2.2 cents	Vesting Date 01/07/2017

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
 Company secretary

Date: 29 January 2016

Print name: Stuart McKenzie

+ See chapter 19 for defined terms.