Outstanding initial metallurgical results from Chilalo’s high-grade Shimba graphite deposit

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Concentrate grades average 95.9% Total Carbon (TC)1
Up to 57% large and jumbo flake

Key Points

- Initial metallurgical testing returns:
-- Concentrate grades average 95.9% TC from basic flotation testwork (maximum 97.6% TC)
-- For fresh material, 53% classified as large and jumbo flake size (maximum 57.4%)
-- For transition material, 47% classified as large and jumbo flake size (maximum 50.3%)
-- Average recoveries across fresh and transition material of 96.8% TC (maximum 97.5% TC)

- Flake size distribution world-class with scope for significant improvement through ongoing optimisation testwork

- Concentrate grade and flake size indicate that a large proportion of Shimba product likely to be sold into the premium end of the graphite market, attracting higher prices
Maiden Mineral Resource estimate for the Shimba deposit expected in the coming days

- Marketing efforts, including active engagement with various parties in Asia, Europe and North America are enhanced by these results which indicate a high demand product

- The Shimba deposit defines the extent of the zone of high-grade mineralisation that was identified from the 2014 drilling program at the Chilalo Project, named after the Tanzanian geologist who carried out the early geological mapping work (see Figure 1)

West Perth WA (FSCwire) - IMX Resources (ASX: IXR, TSX: IXR, IXR.WT) is pleased to announce that initial metallurgical testwork on core from the Chilalo Graphite Project in Tanzania has yielded excellent results. In addition to achieving concentrate grades, averaging 95.9% TC, a significant proportion of the mineralisation has been confirmed as high-value jumbo or large flake size, with, on average, over 50% of the mineralisation measuring greater than 180 microns.

1. Total Graphitic Carbon (TGC) results are currently being finalised and expected in the coming days, however initial indications are that any variation in TGC results (compared to TC results) is expected to be minimal.

The testwork was completed on representative samples composited from diamond drill core from holes drilled at regular intervals along the 1km of strike of the Shimba deposit at the Chilalo Graphite Project. The deposit is characterised by uniform grade and thickness along this strike length.

Importantly, these initial results are expected to be enhanced from additional testwork currently under way to optimise the recovery, grade and flake size, with significant improvement in the flake size distribution likely. Results from this next phase of testwork are expected in Q2 2015.

These initial results suggest excellent potential for future production, with the concentrate grade and flake size indicating a product that is likely to be at the premium end of the graphite market.

Concentrate samples are being prepared for potential off-take partners. IMX is actively engaging with various parties in Europe, North America and Asia who have expressed interest across various aspects of the project, including product sales, plant design, procurement and construction.

IMX CEO Phil Hoskins said that the initial metallurgical testwork results confirm the overall quality of Shimba material and provide strong support for current initiatives that are directed to fast tracking project assessment

and development.

“These metallurgical results clearly demonstrate the outstanding characteristics of our Shimba deposit, with a highly attractive flake size distribution, extremely high purity in large and jumbo product, excellent recoveries and the capacity to produce a high-grade concentrate. These results are from initial testwork only and with further optimisation work being carried out, we are confident that there will be improvement,” he said.

“IMX is focused on a smaller scale development in the 25,000tpa to 50,000tpa production range, which we believe has a number of benefits, including a lower capital cost, a rapid timeline to production, an increased ability to raise project finance and the ability to consider alternative mining and processing options.

“These results confirm that a high-grade graphite concentrate using a simple and low-cost processing technique can be achieved and provide a significant boost to our plans to fast-track development. With a maiden Mineral Resource estimate for Shimba expected shortly, these results support our focus on continuing to advance the Chilalo graphite project,” added Mr Hoskins.

Perth based consultancy BatteryLimits Pty Ltd is managing assessment and study work for the Chilalo Graphite Project, including the metallurgical testwork, process design and engineering. BatteryLimits Managing Director Phil Hearse has confirmed that the metallurgical testwork results are outstanding, producing high-grade coarse flake graphite from both the fresh and transition composite samples tested.

Mr Hearse commented, “Indications are that this is the highest grade flake graphite that we have seen in any of the testwork that we have conducted to date. The results are based on the first round of testwork and there is further opportunity to enhance the metallurgical outcomes, especially around coarsening of the flake size. BatteryLimits looks forward to working with IMX as it advances the Chilalo Project.”

Recovery and Grades

Transitional and fresh ore type composites were generated from the length of the ore body to assess the ore's amenability to beneficiation by froth flotation and also to identify the nature, flake size and occurrence of the graphite in a selection of drill core samples, and flotation products. The transition material is from the partially oxidised zone, close to the surface, above the deeper fresh rock. Both mineralisation types are at depths amenable to open pit mining at low strip ratios.

Table 1: Recovery and grades of graphite concentrate1
http://fscwire.com/newsrelease/outstanding-initial-metallurgical-results-chilalos-high-grade-shimba-graphite-deposit
1. All results based on initial Total Carbon assay data while Total Graphite analysis is pending. Final Concentrate assay is calculated based on size by size assay data.

Four samples were tested, two fresh and two transitional, and these were derived from two composites representing one fresh and one transitional composite. The composites were derived by combining approximately 65m for each composite sample from diamond drill holes NRC14-141D, NRD14-068, NRD14-069, NRD14-70 and NRD14-067. These drill holes extend over 1km of the deposit. The location of drill holes is shown in Figure 1.

Figure 1. Shimba deposit: 2014 drilling program
http://fscwire.com/sites/default/files/NR/740/6244_imxmar292015006.jpg

The recoveries and concentrate grades are high for such an early stage in the metallurgical testwork for graphite using conventional grinding and flotation. These values indicate that a high quality product, at the upper end for graphite deposits, can be produced from Shimba material.

Figure 2. Flotation of transitional composite sample GK19
http://fscwire.com/sites/default/files/NR/740/6244_imxmar292015008.jpg

Flake size

The coarseness of flakes in the final product is critical to achieving the maximum price for the product. The results from this initial testwork show a high proportion of the flake in the premium +180 micron (large and jumbo categories) fraction. The coarser, high purity flake is ideally suited to the battery industry which is projected to expand rapidly.

Even though the flake distribution is excellent at this stage, ongoing optimisation of the metallurgical process

is expected to result in an increase in large and jumbo flake graphite.

Table 2: Initial Graphite Concentrate Flake Size Analysis from initial testwork: fresh material1
http://fscwire.com/newsrelease/outstanding-initial-metallurgical-results-chilalos-high-grade-shimba-graphite-deposit
1. Assays subject to independent laboratory verification.

Table 3: Initial Graphite Concentrate Flake Size Analysis from initial testwork: transition material1
http://fscwire.com/newsrelease/outstanding-initial-metallurgical-results-chilalos-high-grade-shimba-graphite-deposit
1. Assays subject to independent laboratory verification.

Figure 3. Photograph of final concentrate showing coarse nature (Test No. GK 18)
http://fscwire.com/sites/default/files/NR/740/6244_imxmar292015010.jpg

The metallurgical testwork was conducted on drill core obtained from the Company's 2014 exploration program, and was carried out by SGS Australia at its Perth laboratory and by ALS Australia at its Brisbane laboratory, under the guidance of process engineering consultancy group, BatteryLimits Pty Ltd.

PHIL HOSKINS
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Competent Person's / Qualified Person's Statement

Information relating to exploration results at the Chilalo Project, located on the Nachingwea Property, is based on data collected under the supervision of Mr Nick Corlis, in his capacity as Executive Director, Exploration. Mr Corlis, BSc (Hons) MSc, is a registered member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person under JORC 2012 and as a qualified person under NI 43-101. Mr. Corlis has verified the data underlying the information contained in this announcement and approves and consents to the inclusion of the data in the form and context in which it appears.

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, exhibits excellent metallurgical characteristics, capable of producing a coarse flake, high-grade concentrate with excellent recoveries. IMX is fast tracking

assessment and 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.

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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 the additional geotechnical studies to their 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. JORC 2012 Table 1 Reporting

Section 1. Sampling Techniques and Data
http://fscwire.com/newsrelease/outstanding-initial-metallurgical-results-chilalos-high-grade-shimba-graphite-deposit