

## Economic Results: US\$385.8 Before Tax / US\$249.8 Million After Tax NPV; 31.6% Before Tax / 25.8% After Tax IRR

VANCOUVER, BC--(Marketwired - March 08, 2016) - [I-Minerals Inc.](#) (TSX VENTURE: IMA) (OTCQX: IMAHF)("the Company") is pleased to announce that it has received the results of the Technical Economic Model ("TEM") of the Feasibility Study ("FS") on the Bovill Kaolin Project, a long term resource of high-purity quartz, potassium feldspar (K-spar), halloysite, and kaolinite. The Bovill Kaolin Project is strategically located within five miles of state highways with commercial distributions of electricity and natural gas already near the property boundary. The FS was led by GBM Engineers LLC, who were responsible for overall project management and the process plant and infrastructure design, including OPEX and CAPEX. Other engineering services were provided by HDR Engineering, Inc. (all environmental components; hydrology / hydrogeology; road design); Tetra Tech, Inc. (tailings storage facility design); Mine Development Associates (mine modelling; ore scheduling; mineral reserve estimation); and SRK Consulting (U.S.) Inc. (mineral resource estimation).

Highlights of the TEM include:

- US\$385.8 million Pre-Tax NPV; US\$249.8 million After Tax NPV
- 31.6% Pre-Tax IRR; 25.8% After Tax IRR
- Initial Capital Cost of US\$108.3 million
- Total Life of Mine Capital Costs of US\$120.0 million
- 21.3 million short tons of resources
- 8.7 million short tons of reserves
- 26 year mine life with 0.54:1 strip ratio
- 3.2 year estimated pre-tax payback; 3.7 year estimated after tax payback

"Based upon market studies and discussions with prospective customers we made several amendments to the process flowsheet to allow for the production of a higher value mineral product mix as compared with the suite of mineral products contemplated in our June 2014 pre-feasibility study," stated Thomas Conway, president and CEO of [I-Minerals Inc.](#) "These changes include the addition of a proprietary flotation process to make the +90% purity Ultra HalloPure &bdquo;ø halloysite product, and increased calcination capacity as all kaolinite will now be made into metakaolin. In keeping with best practices to mitigate environmental impacts, we have also shifted to a dry stacking of the tailings that stands to reduce our water consumption and environmental risk. All told, we have a well-designed plant that supports a robust business plan that includes some conservative mineral pricing assumptions in the early years."

### Statement of Mineral Resources

The ore defined at the Bovill Kaolin Project is a fine white clay-sand mixture, referred to as "primary clay," that formed through the weathering of a border phase of the Idaho Batholith. During the weathering, the sodium feldspar in the intrusive breaks down to kaolinite +/- halloysite. The primary clay, which forms in place during weathering, provides a feedstock containing all four economically significant minerals: quartz, K-spar, kaolinite, and halloysite. There is limited variability in the concentrations of quartz and K-spar within the primary clay (referred to as "quartz and K-spar sand"), however there is variability of halloysite with some areas being void of halloysite (and therefore kaolinite rich) and other areas containing in excess of 10% halloysite for a life of mine average halloysite grade of 4.33%. The Measured and Indicated Mineral Resources are reported in Table 1. No mining cut-off grade is applied since all material within the pit design can be mined for a profit. Three mineral products are included in the resource: quartz and K-spar sand, kaolinite clay, and halloysite clay.

Table 1: Statement of Measured and Indicated Mineral Resources from the Kelly's Hump and Middle Ridge areas, (as of 26 October 2015)\*

| Classification         | Location     | Tons (000s) | Qtz & K-Spar Sand (%) | Kaolinite (%) | Halloysite (%) | Qtz & K-Spar Tons (000) |
|------------------------|--------------|-------------|-----------------------|---------------|----------------|-------------------------|
| Measured               | Kelly's Hump | 3,540       | 75.98                 | 13.08         | 3.86           | 2,688                   |
|                        | Middle Ridge | 2,180       | 77.43                 | 10.95         | 4.15           | 1,690                   |
|                        | All          | 5,720       | 76.53                 | 12.27         | 3.97           | 4,378                   |
| Indicated              | Kelly's Hump | 7,500       | 55.22                 | 14.81         | 2.77           | 4,140                   |
|                        | Middle Ridge | 5,140       | 58.85                 | 17.91         | 3.61           | 3,023                   |
|                        | WBL Pit      | 2,900       | 58.43                 | 13.31         | 1.62           | 1,694                   |
|                        | All          | 15,530      | 57.02                 | 15.56         | 2.83           | 8,857                   |
| Measured and Indicated | Kelly's Hump | 11,040      | 61.87                 | 14.26         | 3.12           | 6,828                   |
|                        | Middle Ridge | 7,320       | 64.39                 | 15.83         | 3.77           | 4,713                   |
|                        | WBL Pit      | 2,900       | 58.43                 | 13.31         | 1.62           | 1,694                   |
|                        | All          | 21,260      | 62.27                 | 14.67         | 3.14           | 13,235                  |

\* Note that values presented here have been rounded to reflect the level of accuracy.

### Results of the Feasibility Study

The FS individually tracks the production and sale of four quartz products, three K-spar products, two halloysite products, and a metakaolin product which yield a weighted average price for the clay and sand products of \$316/ton. The pricing of the ten mineral products is supported by market studies completed by I-Minerals, preliminary studies being undertaken by a European company specializing in halloysite research, and a market study conducted by a major international marketing and research firm, among other market research, all of which was vetted by Roskill Consulting Group Ltd. of London, England.

The Company's marketing strategy is to offer a superior product at the same price as an incumbent producer. For example, the Company will offer its Fortispar &quot; K-spar product ( $> 11.5\% \text{ K}_2\text{O}$ ;  $< 0.07\% \text{ Fe}_2\text{O}_3$ ) at approximately the same price as the incumbent producer's inferior product ( $< 10\% \text{ K}_2\text{O}$ ;  $> 0.10\% \text{ Fe}_2\text{O}_3$ ). Similar strategies are employed for halloysite, where the Company's HalloPure &quot; products are void of cristobalite and have superior aspect ratios as compared with competing products, yet will be offered at generally comparable market prices. The Company's high-purity quartz, containing less than 300 ppm of total impurity products, has a low unit cost of production and will be offered at competitive market prices. And since there are no metakaolin producers in the Pacific Northwest, the Company will have a significant freight cost advantage for its metakaolin products.

The mineral reserves delineated from the primary clay represent the largest confirmed deposits of high-quality K-spar, quartz, and halloysite in the western United States. If all of the known Mineral Resource eventually convert to Mineral Reserves, the project mine life would be materially expanded; however, initial indicative economics were performed assuming a 26-year market for primary clay products. Mineral Reserves are presented below in Table 2 and production highlights are tabulated in Table 3.

Table 2: Statement of Mineral Reserves, (as of October 2015) All figures thousands of tons\*

| Reserve                 | Proven | Probable | Total P&P |
|-------------------------|--------|----------|-----------|
| Tons (1000s)            | 4,155  | 4,548    | 8,702     |
| Halloysite %            | 4.8    | 4.0      | 4.4       |
| Halloysite Tons (1000s) | 200    | 182      | 382       |
| Kaolinite %             | 11.1   | 12.5     | 11.8      |
| Kaolinite Tons (1000s)  | 460    | 568      | 1,028     |
| Sand %                  | 77.8   | 76.8     | 77.3      |
| Sand Tons (1000s)       | 3,234  | 3,491    | 6,725     |

\* Note that values presented here have been rounded to reflect the level of accuracy. Proven and Probable Mineral Reserves are presented using a \$57.00 NSR cutoff grade.

Table 3: Production Highlights

| Parameter                            | Unit                | Value   |
|--------------------------------------|---------------------|---------|
| Average Annual Plant Production Rate | tons                | 346,000 |
| Process Throughput Rate (nominal)    | tons of ore per day | 989     |
| Stripping Ratio                      | waste:ore           | 0.54    |
| Mine Life (market limited)           | years               | 26      |

The reserves of primary clay are under a shallow layer of overburden generally less than 20 feet thick. Initial pits are limited to depths of approximately 75 feet. Given the physical properties of the primary clay, no drilling or blasting is required. The process flow sheet includes wet screw classification and screen separation of the halloysite and kaolinite clay fraction from the quartz and K-spar sand fraction. The clay fraction is separated into kaolinite and halloysite using hydrocyclone, centrifuge, and proprietary flotation techniques to yield +90% purity halloysite products (the latest analytical results indicate a 96% purity halloysite product from the recent pilot plant). After grinding, the quartz and K-spar in the sand fraction are separated using standard wet flotation and dry rare earth magnetic separation techniques. A quartz product with total impurities of about 300 ppm was produced at pilot scale using 3-stage flotation and without the use of acid leaching techniques.

On an after-tax basis, technical-economics indicate an NPV<sub>6%</sub> of US\$249.8 million and an IRR of 25.8%. Payback will occur 3.7 years from the start of production. Economic results are summarized in Table 4 below.

Table 4: Economic Results <sup>1</sup>

| Description          | LoM Value Pre-Tax (US\$Millions) | LoM Value After-Tax (US\$Millions) | Unit Cost (US\$/ton product) |
|----------------------|----------------------------------|------------------------------------|------------------------------|
| Gross Revenue        | 1,683.1                          | 1,683.1                            | 316.43                       |
| Royalties (5% sales) | (84.2)                           | (84.2)                             | (15.82)                      |
| Gross Income         | 1,598.9                          | 1,598.9                            | 300.60                       |

|                                  |         |         |         |
|----------------------------------|---------|---------|---------|
| Mining Costs                     | (77.0)  | (77.0)  | (14.47) |
| Processing Costs                 | (314.0) | (310.5) | (58.37) |
| G&A Costs                        | (102.4) | (101.1) | (19.01) |
| Operating Costs                  | (493.4) | (493.4) | (91.84) |
| Mine Capital                     | (1.4)   | (1.4)   | -       |
| Process Capital                  | (50.8)  | (50.8)  | -       |
| Infrastructure                   | (5.7)   | (5.7)   | -       |
| Tailings / Waste Mgmt Capital    | (8.3)   | (8.3)   | -       |
| General / Owner's Capital / EPCM | (53.8)  | (53.8)  | -       |
| LoM Capital                      | (120.0) | (120.0) | -       |
| Taxes                            |         | (342.8) | -       |
| Subtotal Capital & Tax           | (120.0) | (460.8) | -       |
| CASH FLOW                        | 990.4   | 658.1   | -       |
| NPV <sub>6%</sub>                | 385.8   | 249.8   | -       |
| IRR                              | 31.6%   | 25.8%   | -       |

1 Differences in totals and subtotals are due to rounding, and are not material to the results presented.

Thomas Conway stated "As is always the case as a project moves from PFS to FS, better definition brings changes to the CAPEX and the underlying assumptions. Included in the increased LOM capital are greater contingency and working capital (\$17.5 million increase) and more detailed EPCM (\$13.5m increase). With respect to the OPEX, we employed conservative methodology not only to the production costs at the mine site, but as we will initially be a one mine operation, the General and Administrative expenses cover the cost of maintaining the public company over the life of the mine, which is a \$68 million expense. Despite the more conservative assumptions, we delivered a robust Feasibility Study with an NPV twice the initial CAPEX and are confident we can achieve or improve upon the TEM results. For example, in our press release of February 9, 2016 we disclosed that there is increasing demand for halloysite in high-value life science applications and that our Ultra HalloPure "ç" product is the best halloysite product for these applications based upon purity and aspect ratio. However, as many of the life science applications are still in the development stage, expected prices and volumes were not included in the Feasibility Study.

The NI 43-101 Technical Report is being completed by GBM Engineers LLC, SRK Consulting (U.S.) Inc., Mine Development Associates, Tetra Tech Inc., and HDR Engineering, Inc. in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices," and will be reported in conformance with NI 43-101 regulations. The report will be filed on SEDAR (at [www.sedar.com](http://www.sedar.com)). All values presented in this press release are in US imperial units and Q1 2016 U.S. dollars.

Dr. Bart Stryhas, CPG, of SRK Consulting (U.S.), Inc. constructed the geologic model and resource estimation results reported herein. He is the Qualified Person ("QP") responsible for the resource estimation methodology and the resource statement.

Mine Development Associates, completed the mineral reserve estimation including pit optimizations and dump designs, and production schedule for ore and waste. MDA also developed all mining costs. The QP responsible for mineral reserves is Thomas Dyer, PE., MDA Senior Engineer.

HDR Engineering Inc. completed environmental evaluations for the project including biological and vegetation assessments, hydrology and hydrogeology studies, stormwater permitting, and development of a mine permit application with the IDL. HDR also designed the haul/multi-use and bypass roads in conjunction with I-Minerals, MDA, and GBM. The QP responsible for HDR's scope is Manuel Rauhut, PE., HDR Environmental Engineer.

The economic results for the FS were completed by GBM Engineers LLC, with Michael Short, CP, CEng, CPEng, being the QP responsible for the economic analysis. Richard Rath, PE, of GBM Engineers LLC is the QP responsible for all process and metallurgical content.

All QPs have reviewed and approved the content of this release and are independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.

I-Minerals Inc.

per: "Thomas M. Conway"

Thomas M. Conway,  
President & CEO

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