

22 October, 2014

Initial Drilling Confirms Graphite Potential at Chilalo Prospect, Nachingwea

Graphite intersected in the majority of holes drilled to date

KEY POINTS

- **Successful commencement of Nachingwea drilling program**, with 18 holes so far completed for 1,360 metres at the Chilalo graphite prospect.
- **Majority of holes drilled to date have intersected graphite mineralisation**, indicating that IMX's exploration methodology using VTEM survey data to define targets is robust.
- Mineralisation is **at or near surface and has been intersected over extensive widths**.
- Drilling is aimed at confirming the presence of premium priced, coarse flake graphite mineralisation.

IMX Resources (ASX: IXR, TSX: IXR, IXR.WT) is pleased to report that it has made a strong start to the recently commenced drilling program at its Nachingwea Property in Tanzania, with drilling at the key Chilalo Prospect confirming significant widths of near-surface graphite mineralisation. Assay results from the drilling at Chilalo are expected during December 2014.

A total of 18 holes for 1,360 metres of Reverse Circulation (RC) drilling has been completed to date at the Chilalo Prospect since drilling commenced on 1 October. The majority of holes have intersected graphite mineralisation including some zones which, based on visual inspection, appear to be higher grade mineralisation as shown in Figure 1.

IMX Chairman Derek Fisher said, "This is a very encouraging start to our drilling campaign at Chilalo, with visual identification confirming the presence of coarse flake graphite and validating the geophysical methodology used to identify the targets. Our understanding of the prospect will rapidly grow over the coming weeks as the drilling progresses and assays are received. If this success continues, we look forward to the possibility of delivering a maiden Mineral Resource in early 2015."

A further 34 holes for an estimated 3,331 metres are planned for the 2014 Chilalo RC drilling program. The location of the holes completed to date, as well as the remaining holes proposed, is shown in Figure 2. These metres are likely to be reduced as better targets are identified and infilled to define geological continuity. Details of completed holes are available in Table 1.

Further RC drilling for graphite is planned to be carried out at the Chilalo North target, where previous assays from rock chips returned 17.5%, 17.6% and 19.5% carbon (ASX announcement 18 August 2014). A drill hole plan is currently being prepared. IMX confirms that since announcing these exploration results on 18 August 2014, it is not aware of any new information or data that materially affects the information included in that announcement.

The mineralisation intersected to date occurs at, or near surface and extends over substantial widths, confirming that the VTEM survey data being used to generate exploration targets at Chilalo is effective. In addition, drilling has been completed across the largest VTEM anomaly, to assist with understanding the geology of the prospect.

The drilling program will now focus on completing single drill holes into individual targets, with the aim of identifying high-grade graphite mineralisation for in-fill drilling.

Approximately 1,000 metres of diamond drilling is also planned and is expected to commence on completion of the RC drilling. This will assist in the definition of a Mineral Resource as well as providing core for metallurgical test work to determine the flake size distribution of Chilalo graphite as well as metallurgical recoveries and concentrate grades.

IMX is targeting premium priced, coarse flake graphite mineralisation at Chilalo, and is seeking to establish a maiden Mineral Resource in accordance with the JORC Code.

The ongoing drilling program at the Nachingwea Property includes a planned minimum of 1,000 metres of RC drilling at the Kishugu gold prospect, which is expected to commence in mid-November, on completion of the drilling at Chilalo. This will test the strong, coincident gold-in-soils and IP geophysical anomalies to determine their source.



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Figure 1: Graphite in RC chips (Hole NRC14-140)



Figure 2: Completed and proposed drilling at Chilalo

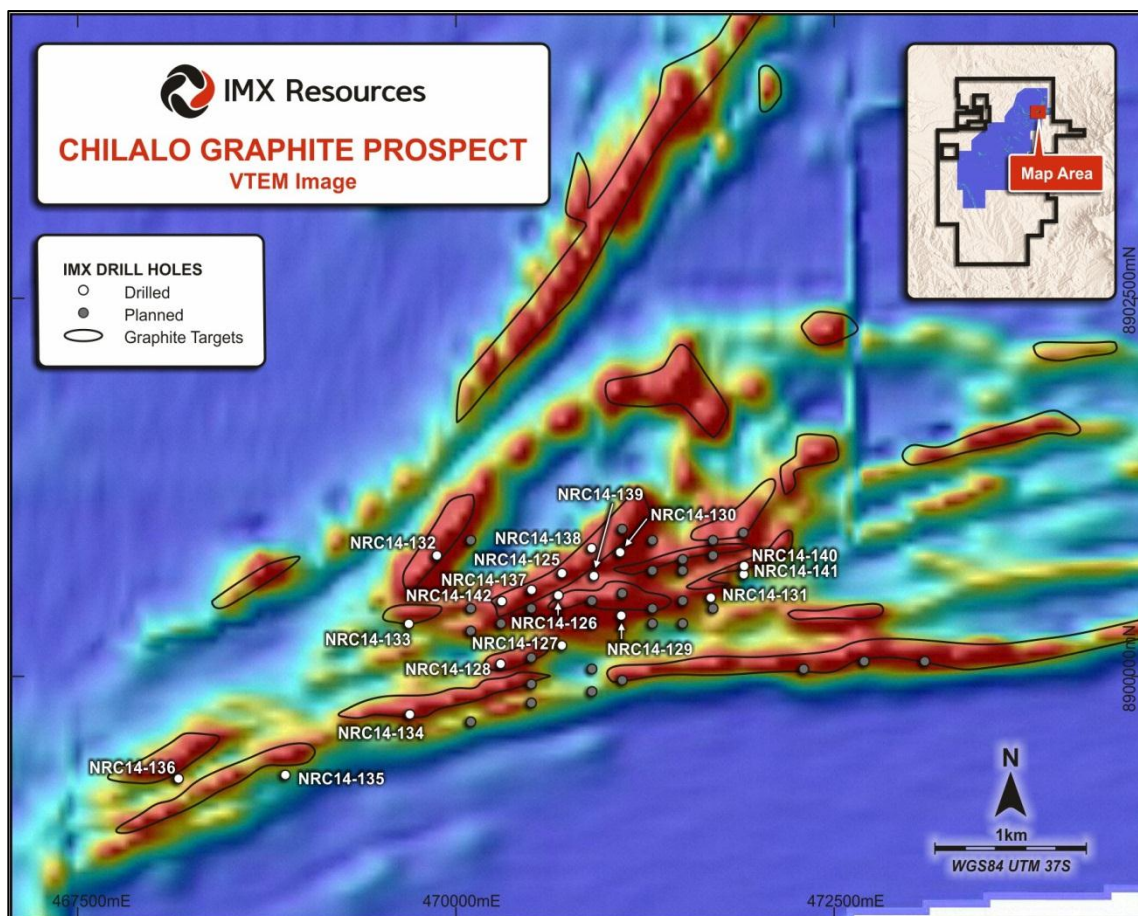


Table 1. Drill hole information

Hole_ID	Hole Type	Location East / North UTM:WGS84	Az / Dip	Hole Depth (m)	% Carbon
NRC14-125	RC	470702 / 8900682	360 / -60	115	Assays pending
NRC14-126	RC	470678 / 8900536	360 / -60	163	Assays pending
NRC14-127	RC	470701 / 8900205	360 / -60	103	Assays pending
NRC14-128	RC	470297 / 8900083	360 / -65	100	Assays pending
NRC14-129	RC	471093 / 8900402	360 / -65	79	Assays pending
NRC14-130	RC	471086 / 8900821	360 / -65	63	Assays pending
NRC14-131	RC	471685 / 8900521	360 / -65	61	Assays pending
NRC14-132	RC	469875 / 8900800	360 / -65	61	Assays pending
NRC14-133	RC	469690 / 8900348	360 / -65	61	Assays pending
NRC14-134	RC	469696 / 8899749	360 / -65	62	Assays pending
NRC14-135	RC	468873 / 8899349	360 / -65	61	Assays pending
NRC14-136	RC	468167 / 8899324	360 / -65	65	Assays pending
NRC14-137	RC	470501 / 8900572	360 / -65	79	Assays pending
NRC14-138	RC	470898 / 8900848	360 / -65	43	Assays pending
NRC14-139	RC	470912 / 8900664	360 / -65	91	Assays pending
NRC14-140	RC	471905 8900730	360 / -65	67	Assays pending
NRC14-141	RC	471903 / 8900675	360 / -65	43	Assays pending
NRC14-142	RC	470304 / 8900497	360 / -65	43	Assays pending

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 Australia and 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.

At Nachingwea, IMX is carrying out exploration at its Chilalo graphite prospect and at its Kishugu gold prospect and there is a significant nickel resource at its Ntaka Hill nickel project.

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 first meeting of Termite creditors was held on 30 June 2014. 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.

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Competent Person's / Qualified Person's Statement

Information relating to geology at the Chilalo Prospect, located on the Nachingwea Property, is based on data collected by the Company's former joint venture partner, Continental Nickel Limited, under the supervision of joint venture company geologists since 2006 and on data collected by IMX. Mr Nick Corlis, in his capacity as a full time employee of the Company, holding the position of Executive Director Exploration, has been working on the Nachingwea Property since May 2014. Mr Corlis BSc (Hons) MSc, is a registered member of the Australian Institute of Geoscientists and has sufficient relevant experience 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.

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 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.

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

Criteria	Explanation
Sampling techniques	<ul style="list-style-type: none"> Reverse Circulation (RC) drilling was used to collect 1m downhole samples for assaying. Typically, a 1 to 2kg sample was collected using a cone splitter. Samples were composited to 2m and sent for LECO analyses as well as for ICP Multi-element analyses. All RC samples were submitted for analysis. Grade standards (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.
Drilling techniques	<ul style="list-style-type: none"> RC holes were drilled in a direction so as to hit the mineralisation orthogonally using a 140mm face sampling hammer button bit. The RC drilling is being completed using a Schramm 450 drill rig with additional booster and axillary used as required to keep samples dry and continue to produce identifiable rock chips.
Drill sample recovery	<ul style="list-style-type: none"> 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 sample weights.
Logging	<ul style="list-style-type: none"> Detailed geological logging of all RC holes captured various qualitative and quantitative parameters such as mineralogy, colour, texture and sample quality. RC holes were logged at 1m intervals. The logging data is planned to be utilised for both Mineral Resource estimation and future mining and processing studies. Logging data is collected via ruggedised laptops. The data is subsequently downloaded into a dedicated Datashed database for storage, hosted by a database consultancy.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> RC samples are drilled dry and are routinely taken in 1m intervals with a 1 – 2kg sample from a regularly cleaned cone splitter and the remainder recovered in a larger plastic bag. One meter samples are then composited into a 2 meter sample using a lab deck splitter. A small fraction of samples returned to the surface wet. These samples are dried prior to compositing. All samples were submitted for assay. 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. The pulverised sample was reduced further and combined with various reagents prior to oven fusion to create a fused disc.

APPENDIX 1. JORC 2012 Table 1 Reporting

Section 1. Sampling Techniques and Data (cont.)

Criteria	Explanation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All RC 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 so that >70% passes -2mm and then pulverised so that >85% passes -75 microns. All prepared samples were analysed at Brisbane ALS, at accredited laboratory with the National Association of Testing Authorities (NATA). For all samples a split of the sample are analysed using a LECO analyser to determine graphitic carbon (ALS Minerals Codes C-IR18). Every 20th sample will be analysed using a complete sample characterisation package (CCP-PKG01). This package combines the whole rock package ME-ICP06 plus carbon and sulfur 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 insertion rates will be 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 5m) can be included in the mineralised thickness Laboratory duplicates and standards were also used as quality control measures at different sub-sampling stages. Approximately 5% of all samples will be sent to an umpire laboratory as an independent check.
Verification of sampling and assaying	<ul style="list-style-type: none"> Senior IMX Resources geological personnel supervise the sampling, and alternative personnel verified the sampling locations and external oversight is established with the contracting of an external consultant to regularly assess on site standards and practices to maintain best practice.. RC holes are planned to be twinned by diamond drilling (DD) 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 are made to any assay data.
Location of data points	<ul style="list-style-type: none"> Drillhole collar locations have been surveyed using a handheld GPS with an accuracy of <4m for easting, northing and elevation coordinates. Drillhole collars will be resurveyed using a Differential GPS with an accuracy of <5cm 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 meters. Following drilling campaign a North seeking gyro is used to resurvey the hole. The primary (only) grid used is UTM WGS84 Zone 37 South datum and projection.

APPENDIX 1. JORC 2012 Table 1 Reporting

Section 1. Sampling Techniques and Data (cont.)

Criteria	Explanation
Data spacing and distribution	<ul style="list-style-type: none">• 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 200m x 150m or less up to 200m x 200m being deemed appropriate in most instances; drilling will have some closer spacing in order to confirm continuity of mineralisation.
Orientation of data in relation to geological structure	<ul style="list-style-type: none">• All holes have been orientated towards an azimuth so as to be able intersect the graphitic mineralisation in a perpendicular manner.• From surface mapping of the area and VTEM modelling, the regional foliation dips at an angles of between 35 and 60 degrees to the south to south-southwest. The drilling was hence planned at a dip of -60 degrees oriented 315 to 360 degrees.
Sample security	<ul style="list-style-type: none">• The samples are split and 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	<ul style="list-style-type: none">• An independent consultants 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.

APPENDIX 1. JORC 2012 Table 1 Reporting

Section 2. Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The exploration results reported in this announcement are from work carried out on granted prospecting licences PL 6073/2009, PL 6158/2009, PL 9760/2014 and PL 9557/2014, which are owned 100% by IMX and offered applications HQ-P28166, HQ-P27256 The prospecting licences PL 6073/2009, PL 6158/2009, PL 9760/2014, PL 9557/2014 are in good standing The tenements are the subject of a joint venture agreement with MMG Exploration Holdings Limited ("MMG"). MMG has recently advised that it has spent its \$10 million Stage 1 expenditure, the completion of which entitles it to a 15% interest in the Nachingwea Property.
Exploration done by other parties	<ul style="list-style-type: none"> Exploration has been performed by an incorporated subsidiary company of IMX, Ngwena Limited Stream sediment surveys carried out historically by BHP were not assayed for the commodity referred to in the announcement
Geology	<ul style="list-style-type: none"> The regional geology is thought to comprise late Proterozoic Mozambique mobile belt lithologies consisting of mafic to felsic gneisses interlayered with amphibolites and metasedimentary rocks
Drill hole information	<ul style="list-style-type: none"> The drillhole information is supplied in Section 1 and a diagram showing the location of the drillhole collars is shown in the accompanying release (Table 1 and Figure 2). No material information has been deliberately excluded.
Data aggregation methods	<ul style="list-style-type: none"> Not applicable, no assays receive
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Due to the exploratory nature of the drilling, the assessment of geometry of the mineralisation is ongoing. This will be greatly improved by the drilling of several DD holes enabling structural and mineralogical assessment.
Diagrams	<ul style="list-style-type: none"> A diagram showing the location of the drillhole collars is included in this announcement.
Balanced reporting	<ul style="list-style-type: none"> Not applicable, no assays received.
Other substantive exploration data	<ul style="list-style-type: none"> The VTEM survey has been processed with data used to target mineralisation in the most efficient and representative manner.
Further work	<ul style="list-style-type: none"> Refer to the announcement.