

ASX Release

14 December 2016

Cost Reimbursement – Rox Resources

IM Medical Limited (ASX: IMI, IMIOA) ("**IMI**") is pleased to announce that its subsidiary IMI Zinc Exploration Pty Ltd ("**IMI Zinc**") has reached an agreement with Rox Resources Limited ("**Rox**") for the reimbursement of costs incurred by IMI Zinc in connection with an offer made by IMI Zinc on 18 July 2016 to acquire Rox's interest in the Reward Zinc Project ("IMI Offer").

The terms of the agreement between Rox and IMI Zinc included an obligation, arising only in the event the IMI Offer was not accepted, for Rox to reimburse IMI Zinc for its reasonable costs incurred in relation to the IMI Offer. Rox did not accept the IMI Offer by the deadline date, leading to an obligation to reimburse IMI Zinc for reasonable costs.

Under the settlement agreement, Rox will pay to IMI Zinc a total sum of \$220,000 for IMI Zinc's reasonable expenses in respect of the IMI Offer. The payment comprises \$20,000 cash payable immediately and \$200,000 cash payable either on settlement by Rox of the sale of its interest in the Reward Zinc Project, or when Rox completes a significant (>\$500,000) capital raising, whichever occurs first.

Based on the cost reimbursement, Rox and IMI Zinc have agreed to release each other from all claims in relation to the IMI Offer.

For and behalf of the Board.

Richard Wadley
Director.