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Diamond Drilling Commences at Chilalo Graphite Project to Underpin Completion of Pre-Feasibility Study

Focus on converting Chilalo resource status, plus geotechnical and metallurgical testwork

Key Points

- A 13 hole diamond drilling program has commenced at the Chilalo Graphite Project.
- Drilling designed to convert existing high-grade Inferred Resource to Measured and Indicated status and assist with geotechnical and metallurgical testwork.
- Program will underpin the completion of a Pre-Feasibility Study and de-risk the first 6-8 years of the proposed mine development at Chilalo.

(ASX: IXR, TSX: IXR, IXR.WT) ('IMX' or the 'Company') is pleased to announce that a diamond drilling program has commenced at the Chilalo Graphite Project in south-eastern Tanzania, designed to underpin the rapid completion of a Pre-Feasibility Study (PFS).

The drilling program will comprise 13 diamond holes for 1,400m of drilling, and will be focused on upgrading approximately half of the existing Inferred Resource at Chilalo¹ to Measured and Indicated status.

The PFS is examining mining and processing operations to produce up to 50,000 tpa of quality graphite product.

Owing to the interpreted continuity of the mineralisation and its uniformity of grade across the Inferred Mineral Resource, a high conversion to the Measured and Indicated category is expected from this drilling.

The drilling program will also provide drill core for geotechnical studies, and for metallurgical optimisation and variability testwork. It will also be used to produce product samples for potential customers.

IMX CEO Phil Hoskins said that the drilling program is designed to de-risk the Chilalo project development for the first 6-8 years of mining operations.

"This is a carefully targeted drilling program focused on de-risking the mineral resource. We aim to deliver a mineable resource to support the proposed small scale project, whilst minimising unnecessary expenditure by continuing to target mineralisation no deeper than 100m," he said.

"While the resource remains open and there is substantial exploration upside across the Chilalo project area, we will not be conducting any exploration drilling to expand the existing resource. Our strict focus remains on advancing the existing high-grade resource towards development."

The drilling program is expected to be completed within one month, which emphasises the impact IMX's small-scale strategy has on its ability to fast-track development of the Chilalo project.



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1. The current high-grade Inferred Resource for the Shimba deposit at Chilalo comprises 7.4 million tonnes grading 10.7% Total Graphitic Carbon (TGC), for 792,000 tonnes of contained graphite (within the >5% TGC high grade zone). The high-grade resource is part of the total Shimba Mineral Resource estimate of 18.1 million tonnes grading 6.2% TGC for 1,114,600 tonnes of contained graphite (see ASX Announcement of 7 April 2015).

Since announcing the Inferred Resource estimate on 7 April 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.

About IMX Resources Limited

IMX Resources is an Australian minerals exploration company that holds a 5,800 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 high-grade, high quality graphite and it is rapidly advancing development of the Chilalo Graphite Project, where there is a high-grade JORC Inferred Resource of 7.4 million tonnes grading 10.7% Total Graphitic Carbon, for 792,000 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 for the clean technology economy.

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