

July 13, 2015

## FIG TREE WORK HIGHLIGHTS NTAKA HILL POTENTIAL

IMX Resources Limited (**ASX: IXR, TSX: IXR, IXR.WT**) is pleased to advise that its joint venture partner in the Ntaka Hill Nickel Project (the “**Project**”) in Tanzania, Loricatus Resource Investments (‘**Fig Tree**’), an investment vehicle on behalf of Mauritius-based mining private equity fund, Fig Tree Resources Fund II, has provided a summary of its technical work completed to date. The full Fig Tree summary is attached to this news release.

Fig Tree’s overall assessment is that *“the Project has excellent potential to be developed as a high-grade open pit and underground operation”*.

As part of its review, which was conducted with the support of leading consultants, Fig Tree remodelled the existing resource using a cut-off grade of 0.75% nickel, an increase from the 0.2% cut-off grade used in previous resource estimates. Whilst the remodelled results cannot currently be included in a revised mineral resource estimate, the remodelling is expected to result in a significant increase in the average resource grade at Ntaka Hill.

Fig Tree has also performed conceptual mine design and scheduling and, on the basis of the previous resources defined by IMX (see ASX announcements 15 August 2013 and 19 August 2013), it is targeting a mine producing between 9,000 and 10,500 tonnes of nickel per annum in concentrates for a period of 10 years, at run of mine grades in excess of 1% nickel.

Since announcing the mineral resource estimates on 15 August 2013 and 19 August 2013, IMX is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

Fig Tree’s work also confirmed that with its outstanding metallurgical characteristics, Ntaka Hill is capable of producing a high-grade concentrate, grading 18% nickel with low MgO, using conventional nickel flotation at high recoveries (>80%).

A review of key aspects of Project infrastructure, including roads, port facilities and power found these to be suitable for the proposed Project scale, with scope for the Project’s economics to be enhanced through potential access to grid connected power in the future.

Fig Tree is proceeding with a geotechnical work program aimed at confirming and potentially enhancing the underground mining methods contemplated for the Sleeping Giant deposit at Ntaka Hill. Completion of this study will occur by 7 September 2015. A positive outcome to this study will trigger the US\$4 million, second-tranche payment by Fig Tree to IMX, the payment of which is also conditional on Fig Tree finalising its funding via the closure of its fund (see news release 15 June 2015). Fig Tree will then commence a detailed Feasibility Study, which it expects to take 12-18 months. The Feasibility Study will be funded entirely by Fig Tree.

IMX Chief Executive Phil Hoskins said the work carried out by Fig Tree highlighted the potential for a higher grade, long life nickel project at Ntaka Hill.

“We’ve always believed that Ntaka Hill had the potential to add significant value for shareholders,” Mr Hoskins said. “We chose to partner with Fig Tree given their substantial experience with African nickel sulphide deposits, including the Nkomati Nickel Mine which possesses a number of important similarities to Ntaka Hill. The initial findings from Fig Tree’s work have been encouraging and have justified that decision. We have confidence that Fig Tree’s approach to developing Ntaka Hill maximises the prospects of realising value for IMX shareholders. It also allows IMX to focus on creating value from the wider Nachingwea property, including the exciting Chilalo Graphite Project.”



**PHIL HOSKINS**

**Chief Executive Officer**

For further information, please contact:

Phil Hoskins  
Chief Executive Officer  
Tel: +61 8 9388 7877

Stuart McKenzie  
General Manager Commercial and Company Secretary  
Tel: +61 8 9388 7877

**Media**

Nicholas Read/Paul Armstrong – Read Corporate  
Telephone: +61 8 9388 1474  
E: [info@readcorporate.com.au](mailto:info@readcorporate.com.au)

**About IMX Resources Limited**

IMX Resources is an Australian minerals exploration company that holds a 5,800 km<sup>2</sup> 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](http://www.imxresources.com.au).



## FIG TREE ADVISORS Ntaka Hill Nickel Sulphide Project

### 1. Introduction

Fig Tree Advisors Proprietary Limited, on behalf of Loricatus Resource Investments (“**Fig Tree**”) and utilising the services of The Mineral Corporation (a leading mineral advisory firm) and other senior mining industry consultants (collectively the “**Consultants**”), has carried out a due diligence investigation and further technical review of the Ntaka Hill nickel sulphide (“**NiS**”) project in southern Tanzania (the “**Project**”). Upon positive completion of the due diligence, Fig Tree elected to proceed with its transaction with IMX Resources Limited (“**IMX**”) with a view to acquiring a 70.65% shareholding in the Project.

The due diligence investigation, informed by the experience of the Consultants, sought to assess whether the mineralization defined at Ntaka Hill had the potential to deliver favourable financial returns on the basis of higher grade plant feed at lower production rates, as an alternative to the conceptual mine designs considered in previous studies (see Section 3 below). Fig Tree’s review included concomitant variations to metallurgical, mining, engineering, logistical, environmental and other relevant disciplines.

A number of technical studies were previously completed by IMX, including a NI 43-101 Technical Report prepared by Roscoe Postle Associates Inc. (“**RPA**”) dated 13 April 2012 and a Preliminary Economic Assessment (“**PEA**”) prepared by Mining Plus Pty Ltd dated 5 November 2012.

Fig Tree’s work to date has encompassed the following:

- A review of the geological interpretations that underpin the mineral resource estimations;
- An assessment of the existing geological modelling and mineral resource estimations, in order to identify opportunities for accelerated Project development, to achieve an annual production of at least 5,000 tonnes of contained nickel metal in concentrates;
- Conceptual level mine design, scheduling and costing to support this production target;
- A desktop environmental review and assessment of conceptual environmental costs to support this production target;
- An assessment of the “outside the fence” infrastructure, bulk services, logistics requirements and costs to support production targets.

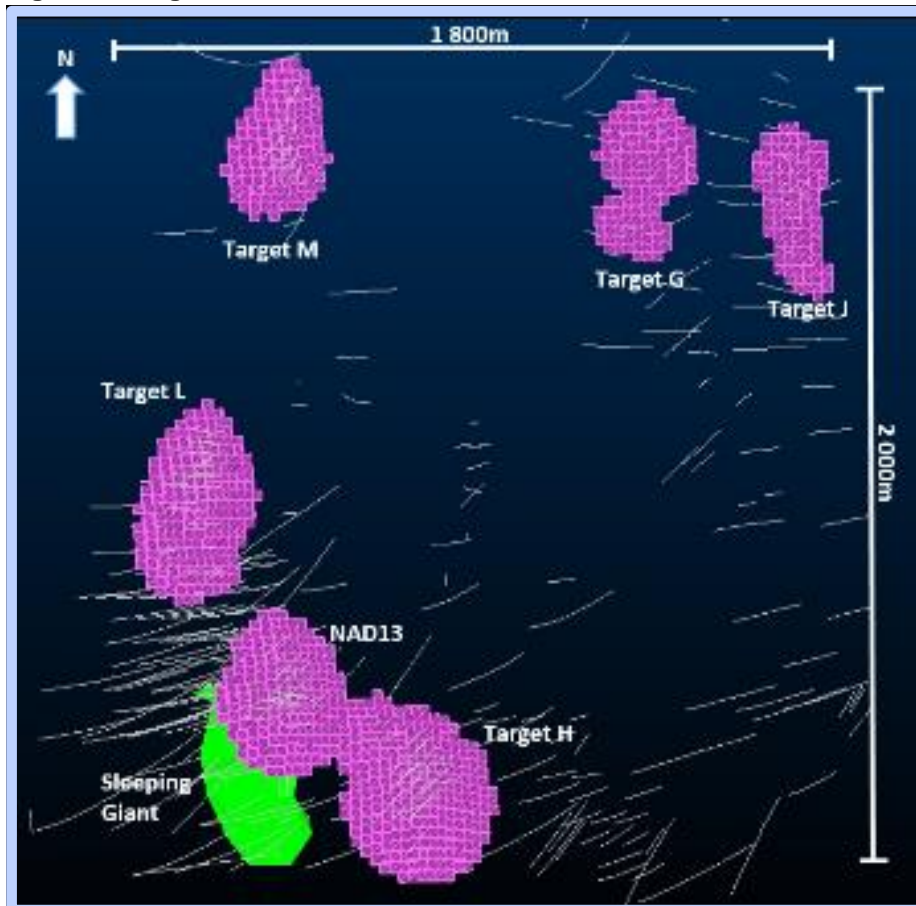
### 2. Geology and Resources

Historical exploration campaigns by IMX identified seven targets; Target J, Target G, Target M, Target L, Target H, NAD13 and Sleeping Giant (Figure 1). Fig Tree and the Consultants interrogated and reinterpreted the geological models with a focus on Sleeping Giant in order to confirm the geological continuity of the

higher grade zones so as to provide confidence on the ability of the deposit to support a higher grade plant feed.

Scrutiny of the Targets J, G, M, L, H and NAD13 suggests that IMX's geological interpretations and estimations of grade and tonnage are reasonably representative of the exploration results. These were accepted "as-is" for the purposes of conceptual open pit mine design and scheduling.

**Figure 1: Target zones**



During the analysis of the geology and mineralisation of Sleeping Giant, reinterpretation of a zone of NiS mineralisation down dip (or plunge) has confirmed that the mineralisation is present in the form of shallow plunging elongated pods which demonstrate reasonably robust continuity even at cut-off grades of >0.75% TNi (total Nickel). This interpretation bears resemblance to similarly orientated zones of mineralisation which are apparent at Targets J and M. For the purposes of Fig Tree's analysis, most of the Sleeping Giant mineralization contained within these higher grade zones has been assessed at a conceptual level as an underground mining target.

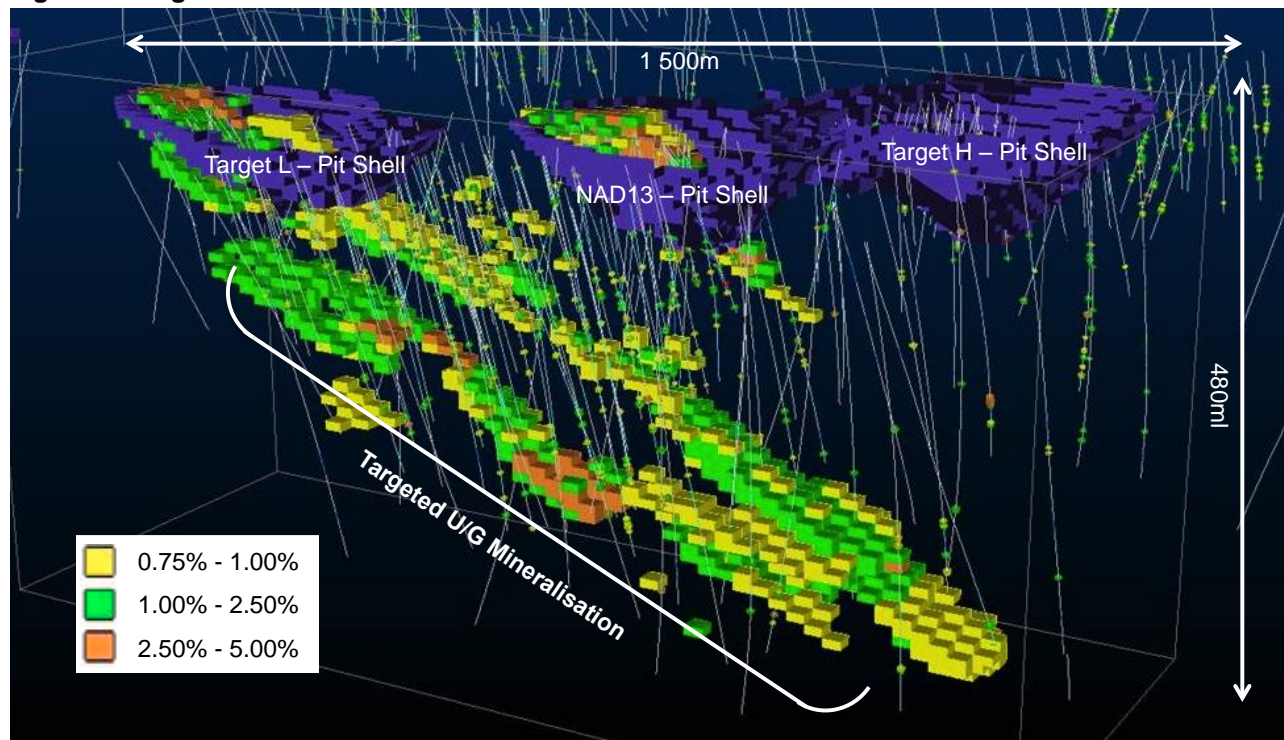
The higher grade Sleeping Giant (underground) mineralization has been delineated by visual assessment of the drilled TNi grades in 3-dimensions (3D), and through the use of grade isoshells (a method of 3D contouring) in order to constrain the zones of mineralisation and develop a TNi grade block model.

The results of this work, along with the conceptual mine designs planned to exploit the mineralization, are considered a modification of the 2012 PEA Option 2 (Open Pit with Underground), albeit at lower targeted production levels and with modified conceptual underground mine designs. Fig Tree believes that the interpreted continuity of the high-grade mineralization present at Sleeping Giant promotes the utilization of underground mining methods to exploit the high-grade mineralization present in order to achieve improved Project economics. The ID<sup>2</sup> grade block model for Sleeping Giant, at a cut-off grade of 0.75% TNi, is illustrated in Figure 2. It is noted that zones of material with a grade above the 0.75% TNi cut-off are



discernible in an orientation trend which plunges shallowly to the south. It is also noted that the high-grade zone is open at depth.

**Figure 2: Targeted U/G mineralisation**



For the purposes of its due diligence, Fig Tree has estimated a tonnage and grade for the Sleeping Giant high-grade option but this estimation cannot be considered a revised mineral resource estimate.

Fig Tree considers that limited further in-fill drilling of the Sleeping Giant high-grade zones may be required in order to procure a mineral resource statement suitable for a feasibility study. This work would be undertaken in conjunction with revisions to the Mineral Resource estimates for Target L, NAD13, Target H and Sleeping Giant (with a focus on grade).

In terms of resource classification for the Sleeping Giant high-grade zones, scrutiny of the RPA Mineral Resource classification has identified that the zones which have been re-estimated by Fig Tree were predominantly classified by RPA as being in the Inferred category as a result of the complex distribution of high grades. In Fig Tree's view, it is unlikely that an integrated re-interpretation of this target would result in a down-grade of this classification, and may potentially result in an improved classification, as a result of there being a greater degree of confidence in the orientation of zones of elevated TNi grades.

### 3. Conceptual Production Scheduling

The conceptual techno-economic inputs discussed in IMX's 2012 PEA were based on two scenarios; the first, "Option One", was a series of small open pits for Targets J, G, M and a large "Super Pit" for the Targets L H, NAD13 and Sleeping Giant. The second, "Option Two", was similarly a series of small open pits for Targets J, G, M and a medium sized pit for Targets L, H, NAD13 and Sleeping Giant in conjunction with an underground design for a part of Sleeping Giant.

Both of these IMX options required considerable waste stripping, premised on lower TNi cut-off grades. For purposes of its due diligence, Fig Tree chose to "higher grade" each target by increasing the cut-off grade for the open pit and underground mining scenarios to access mineralisation >0.75% TNi.

The Targets J, G, M, L, H and NAD13 were considered for open pit optimisation, design and scheduling during the review. Target M was removed from the schedule due to high stripping ratio and Target G was removed from the schedule due to metallurgical concerns, pending further studies.

The conceptual production schedule compiled by Fig Tree initially targets production from the NAD13 and Target H open pits in order to accelerate access to the underground operations. Once the underground access is established, the delivery of mineralised material is balanced between the underground and open pit operations to optimise the delivery of grade at >1% TNi while at the same time, keeping the process facility running at full capacity ( $\pm 1$  mtpa).

The results of Fig Tree's conceptual production scheduling (based on the resources previously defined by IMX) suggest that the mineralisation identified for mining will sustain production at RoM grades in excess of 1% TNi from open pit and underground mining, for some 10 years, given an initial two year period of project initiation and stripping, at a rate of between 9,000 and 10,500 tonnes of nickel per annum in concentrates.

These conceptual results presume no significant geotechnical challenges, and remain subject to the further geotechnical work planned by Fig Tree for purposes of assessing the geotechnical parameters that may permit 'fill-free' underground mining.

Although Target M is currently excluded by virtue of apparent stripping ratios, given an innovative open pit access strategy, this relatively high-grade zone may add additional mining sequence optionality that warrants further investigation. In addition, Fig Tree believes there is the possibility that the underground operation could extend beyond the current levels scheduled. This potential would be confirmed through further drilling as the underground mine develops and, if required, the spiral decline access would permit deepening of the underground mine.

#### **4. Metallurgy and Processing**

Fig Tree has reviewed the previous mineralogical and bench scale metallurgical testwork conducted on Ntaka Hill drill cores samples by Xstrata Process Support, Mineralogy, McArthur Ore Deposit Assessment and G&T Metallurgical Services.

From the work completed to date, it is apparent that a "clean" high-grade nickel flotation concentrate (18% Ni) with relatively low MgO content can be produced via a conventional nickel flotation concentrator plant at high recoveries (>80%), save that recoveries at Targets G and J will be lower due to the higher pyrrhotite to pentlandite ratios at those targets. No deleterious elements were detected in the concentrates produced during the metallurgical testwork programme. Fig Tree believes the high-grade concentrate can be sold to various international toll treatment facilities around the world.

Fig Tree intends to complete further metallurgical testwork to confirm the metallurgical results, flotation grade and recovery relationships as presented in the IMX PEA as well as to evaluate the metallurgical variability of the different deposits.

#### **5. Engineering, Infrastructure, Product Logistics and Environmental**

Scrutiny of the "outside the fence" infrastructure, bulk services, logistic requirements and costs to support Fig Tree's production targets, shows in general that the infrastructure, design, descriptions, capital and operating costs as previously considered by IMX are reasonable, but may offer some opportunity for optimisation.

Fig Tree believes that the Project's power constraints and solutions should be the primary focus of any further Feasibility Study. Tanesco-sourced power should be pursued, however in its absence, for the purposes of its due diligence Fig Tree considered the option of an independently owned heavy fuel oil electricity generation plant. This option reduces upfront capital cost but increases the operating cost.

As a result of the work carried out during the due diligence (which included a visit to both the site and the port at Mtwara and review of the current road infrastructure), Fig Tree concluded that most of the infrastructural solutions to the development of the project as proposed by IMX seem reasonable. Fig Tree

does, however, believe that the estimates included in the 2012 PEA for resettlement, closure and rehabilitation will require further review as Fig Tree believes the amounts previously provided for in this regard may be insufficient.

## 6. Conclusions

The Fig Tree investigation concluded that, at a concept level, the Ntaka Hill nickel sulphide deposit's economics could be considerably enhanced by focussing on mining the higher grade mineralization, although this will limit the life of mine. No serious technical flaws were identified in the study that could inhibit the Project's development. The potential to utilise lower-cost, "fill free" open stoping methods for underground mining requires further geotechnical work in order to be properly considered. In addition, the potential for the project to access regional grid power is a significant driver of value and this should be a key focus of the Feasibility Study.

Previous work on the Project did consider a high-grade, lower tonnage option and the Fig Tree investigation has further defined this potential (at even higher grades and lower production levels) and the results of this work indicate that the Project has excellent potential to be developed as a high-grade open pit and underground operation. A significant portion of the deposit is planned to be mined at surface.

In order to confirm and perhaps enhance the underground mining methods contemplated, Fig Tree considers that a geotechnical study programme is warranted. The geotechnical programme is designed to provide the geotechnical parameters that will characterise the rock conditions in the Ntaka Hill proposed high-grade (>0.75% Ni) underground mining section, and demonstrate that these rock conditions will support the economic extraction of the underground resource by open-stoping mining techniques without paste-fill. This work will be completed by 7 September 2015. Fig Tree will also finalise its funding for purposes of completing the second tranche of the project acquisition. This will enable Fig Tree to commence with a detailed feasibility study programme shortly thereafter. Fig Tree believes a feasibility study can be completed within a period of 12 to 18 months from commencement.

## 7. Fig Tree Team

The Fig Tree Project team is made up exclusively of African residents with over 100 years of combined mineral resources exploration and investment experience. The Technical Director of Fig Tree Advisors, Hilton Philpot, has extensive nickel sulphide experience in Africa. Hilton was the Chief Geologist who guided and managed the early exploration programmes that resulted in the discovery of the disseminated and high-grade massive sulphide mineralization at Slaaihoek in 1988 which led to the development of the Nkomati Nickel Mine (the "**Nkomati Mine**") in 1997. In a previous role as General Manager of Exploration and New Business at Anglovaal Mining (now part of African Rainbow Minerals), Hilton was fully involved in the work programmes that culminated in the development of the Nkomati Mine and believes that there may be significant similarities in the potential development of Ntaka Hill with the Nkomati Mine. At the Nkomati Mine, initial mine development focussed on the underground higher grades (>2% Ni) and subsequently much lower grades (<0.5%) have been able to be mined economically via open pit methods. Both projects contain high-grade mineralization within extensive low-grade mineralization. The Nkomati Mine was initially developed to have an 11 year life of mine (terminating in 2008) but the mine is still operational today.

The Consultants also have significant nickel and African project exploration, assessment and development experience. Staff from The Mineral Corporation, a leading mineral advisory firm in sub-Saharan Africa, together with members of Royal HaskoningDHV, a highly respected international engineering consultancy, formed the team for the due diligence. This team was bolstered by the engagement of Arnold Swarts as the process consultant. Arnold holds an M. Eng (Metallurgy) and has over 20 years of extensive technical, design and management experience in the metallurgical industry. His relevant African nickel sulphide experience includes the commissioning and management of the MSB Nickel Concentrator at the Nkomati Mine in South Africa as well as the Activox® demonstration plant at Tati Nickel Mine in Botswana.