

9 September 2015

## METALLURGICAL OPTIMISATION DELIVERS OUTSTANDING FLAKE GRAPHITE RESULTS

### Key Points

- **World-class flake size distribution – optimisation delivers up to 67.6% in the large and jumbo flake categories (previously 47%).**
- **Significant increase in jumbo flake graphite increases exposure to rapidly growing expandable graphite market.**
- **Results to significantly enhance the Pre-Feasibility Study economics – basket sales price of US\$1,116 per tonne (Benchmark Minerals Intelligence Q3 2015 data).**
- **Flake size expected to improve through further metallurgical optimisation.**

IMX Resources (ASX: IXR) ('IMX' or the 'Company') is pleased to advise that the Company's flagship Chilalo Graphite Project has been significantly enhanced following recent metallurgical testwork.

Metallurgical optimisation for the Pre-Feasibility Study (PFS) has demonstrated Chilalo ore can produce a graphite concentrate containing up to 68% large and jumbo flake graphite, while continuing to achieve saleable concentrate grades.

Flake Size	Microns	Mesh	Mass Dist. % <sup>1</sup>	Grade TGC %	Price (US\$/t) <sup>2</sup>	Basket Sales Price (US\$/t) <sup>2</sup>
Super Jumbo	> 500	35	2.7	95.9	1,950	53
Jumbo	300 – 500	50	34.6	95.6	1,525	528
Large	180 – 300	80	30.3	93.7	1,000	303
Medium	150 – 180	100	7.0	93.9	950	67
Small	75 – 150	200	25.4	94.9	650	165
<b>Weighted Basket Sales Price (Mass Dist. % x Price)</b>						<b>1,116</b>

1. The testwork results are reported on the basis that the sub-75 micron material, which represents 25% of the flotation product, has been removed from the concentrate due to advice that it would be difficult to sell.
2. Q3 2015 prices CIF Europe. Source: Benchmark Mineral Intelligence, +35 mesh from market sources.

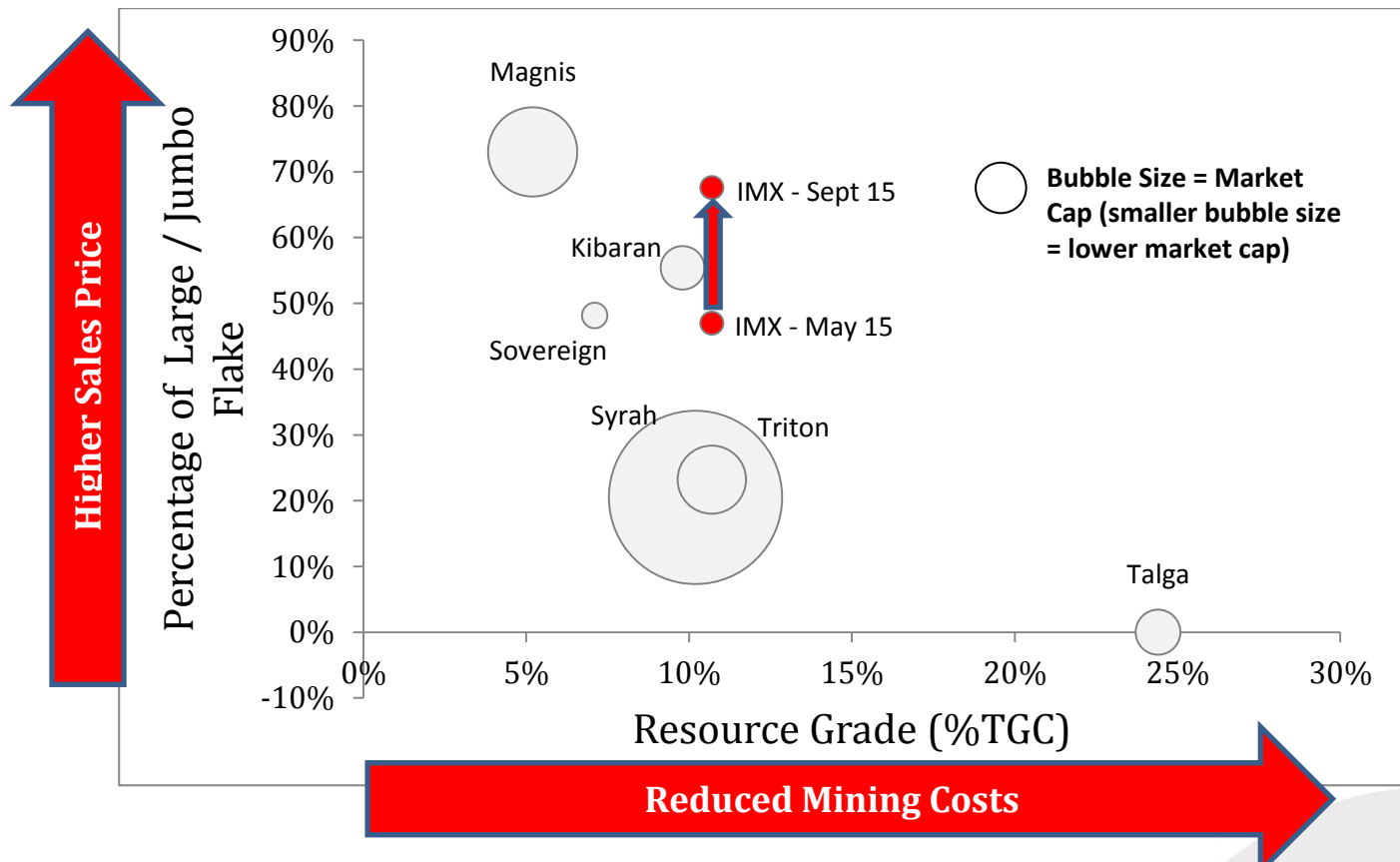
IMX CEO, Phil Hoskins said that these results are further validation of the high quality of the Chilalo Project and are expected to support current marketing initiatives, as well as underpin the results of the PFS, which are expected to be available in October 2015.

*"These latest testwork results demonstrate the strong potential for Chilalo to produce a high quality graphite concentrate with outstanding flake size distribution. We are confident that this*

upgraded product will be highly attractive to both our potential offtake partners and project financiers who place significant premiums on large and jumbo flake graphite. We believe we are now starting to unlock the value potential of Chilalo as a world-class graphite project,” he said.

IMX has an attractive combination of flake size and resource grade that compares favourably to its peers as shown by Figure 1 below. The figure also shows the improved metallurgy from earlier preliminary results.

**Figure 1 – Peer group comparison: market cap versus flake size distribution and resource grade<sup>1</sup>**



Commenting on the peer comparison, Mr Hoskins said: “We are not surprised that our flake size has improved significantly and has almost bridged the gap with Magnis Resources’ Nachu Project given Chilalo’s location 5km to the west of Nachu. Given the significant upcoming milestones we expect to achieve, we are confident the market will recognise the emergence of Chilalo as a world-class graphite project.”

These results represent a substantial improvement from the results of initial testwork (see ASX announcement 19 May 2015) which yielded 47% in the large and jumbo flake categories. The

1. Notes to peer group comparison chart:

- Due to inconsistent reporting of flake size distribution categories between companies, assumptions have been made to ensure comparability.
- Sources: Syrah – 29/05/2015 FS announcement, Magnis – 29/12/2014 announcement, Triton – 2014 annual report, Kibaran – 23/07/2015 BFS, Sovereign – 01/09/2015 scoping study, Talga – 17/10/2014 corporate presentation.
- Talga looking to produce graphene in addition to graphite concentrate.
- Market cap as of 1 September 2015.

Company's metallurgical consultant, BatteryLimits Pty Ltd, is of the view that further improvements to the flake size distribution can be made.

*"These results demonstrate that Chilalo ore can produce a high quality product. We expect further improvement in flake size from additional optimisation work,"* Phil Hearse, BatteryLimits' Managing Director said.

Flake size is a critical element of a successful graphite project, with large and jumbo flake graphite attracting premium prices. The significant portion of jumbo flake provides IMX with exposure to the expandable graphite market. The main markets for expandable graphite are the premium priced graphite foil / sheet markets, gaskets and flame retardants. Expanded graphite can also be manufactured into thermally efficient building products with demand growth, driven by the increase in energy efficient building processes, expected to potentially rival demand growth for spherical graphite in lithium-ion batteries. Orders for expandable graphite in China are subject to long lead times and prepayments are being made many months in advance of delivery.

The latest testwork is part of the first stage of a regrind and cleaning optimisation program which has focused on maximising coarse graphite concentrate flake size distribution, while maintaining an attractive concentrate grade. Additional work is planned to further optimise flake size distribution and to minimise production of fine flake graphite.

Further to this positive development, the Company expects to release its upgraded Mineral Resource Estimate in September and the results of the PFS before the end of October.



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#### **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. 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).