

12 February 2019

Company Announcements Office
ASX Limited Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

Dear Sir / Madam,

IMDEX ENTERS SECONDARY OPTION PERIOD TO PROGRESS COREVIBETM AND MAGHAMMERTM TOWARDS COMMERCIALISATION

IMDEX Limited (ASX: IMD) (IMDEX or the Company), a leading mining equipment, technology and services (METS) provider to the global minerals industry, is pleased to announce it has entered the Secondary Option Period (March 2019 – December 2019) to acquire New Zealand-based companies Flexidrill Limited and Flexidrill Construction Limited (together Flexidrill) and its patent protected technologies – the COREVIBETM and MAGHAMMERTM.

IMDEX's decision to progress the COREVIBETM and MAGHAMMERTM towards commercialisation is based on strong demand from drilling contractors and resource companies, together with successful trials at IMDEX's test site in New Zealand. COREVIBETM trials – validated by SGS, the world's leading inspection, verification, testing and certification company – concluded a productivity gain of 33% over conventional coring.

The Secondary Option Period will allow IMDEX to conduct further product development and testing, whilst establishing its supply chain and manufacturing requirements. In relation to COREVIBETM, the Company expects to trial commercial prototypes with clients by the end of FY19. MAGHAMMERTM commercial prototype trials will follow in 1H20.

The consideration to enter the Secondary Option Period was varied from NZ\$5.0 million (50% cash / 50% IMD shares) to NZ\$3 million in IMDEX shares¹ to allow for NZ\$2.0 million cash being applied to additional investment in product development. There are no other variations to the [Original Option Agreement](#) or [Extended Option Agreement](#), as announced on 18 January 2018 and 14 September 2018 respectively.

Should IMDEX choose to exercise its option to acquire Flexidrill in December 2019, the COREVIBETM and MAGHAMMERTM are expected to provide additional global revenue and earnings during FY20 and be earnings accretive within 12 months of the exercise date.

¹ Share issue to be based on the volume weighted average price 10 days prior to the issue date.

Commenting on the decision to enter the Secondary Option Period, IMDEX's Managing Director Mr Bernie Ridgeway said:

"We are pleased to further progress the COREVIBE™ and MAGHAMMER™ technologies towards commercialisation.

"These unique technologies have the potential to deliver substantial economic and productivity benefits to our clients globally, which is becoming increasingly important as new discoveries are likely to be under ground cover, deeper and require more drilling.

"It is widely recognised within the industry that drilling costs represent approximately half of global mineral exploration expenditure. Reducing these costs has been a major challenge, which is likely to intensify given increasing safety standards, environmental restrictions and greater average hole depths."

Yours faithfully

Imdex Limited



Paul Evans

Company Secretary

For further information please contact:

Bernie Ridgeway, Managing Director or Paul Evans, Chief Financial Officer and Company Secretary on +61 8 9445 4010.

About Flexidrill

New Zealand based Flexidrill is a leading developer of vibration and magnetic field assisted drilling technologies. The company has two unique drilling productivity technologies, the COREVIBE™ and MAGHAMMER™. For further information visit www.flexidrill.co.nz

About IMDEX

We are a global mining equipment, technology and services – or METS – company. Our IMDEX solutions improve the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies – we let clients know where it is and what it is, now.

Our company delivers these solutions, which include: Drilling Optimisation; Downhole Navigation; Structural Geology; In-Field Geoanalysis; and Driller Operable Geophysics, to the global minerals industry and targeted non-mining applications via our leading REFLEX and AMC brands. For further information visit www.imdexlimited.com

AMC redefines the way drilling fluids, equipment, technologies and software are used to optimise drilling programs – AMC strives to maximise productivity while enhancing safety and sustainability for customers. AMC has a strong presence within the global minerals, horizontal directional drilling, waterwell and civil construction sectors.

REFLEX is a global supplier of advanced subsurface intelligence solutions comprising downhole instrumentation, data management and analytical software for geological modelling. These market leading technologies – recognised for their ease of use and accuracy – are completed by unrivalled expertise in geo-scientific data analysis and interpretation.

IMDEX's latest technologies can be connected to IMDEXHUB-IQTM – an award-winning cloud-based web portal that collects, stores and provides critical operational data. This data is protected through a validated chain of custody and secure database and can be accessed from any internet connection to smart phone, tablet or PC.

Together, our products and technologies assist clients to reduce their costs and increase their productivity by providing end-to-end solutions across the full mining life cycle. Our vision is to be the leading provider of real-time subsurface intelligence solutions for the global minerals industry.