

25 November 2014


Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**Non-Renounceable Entitlement Offer**

Pursuant to the announcement by IMX Resources Limited (ASX: IXR, TSX: IXR, IXR.WT) on 17 November 2014, of a non-renounceable pro rata entitlement offer (**Entitlement Offer**) to eligible shareholders on the basis of one share at an issue price of \$0.012 for every two fully paid ordinary shares, the Company provides a copy of the Offer Document and Entitlement and Acceptance Form, which are expected to be mailed to eligible shareholders on 26 November 2014.

Yours sincerely



**Stuart McKenzie**  
Company Secretary



**IMX**  
Resources

## **IMX Resources Limited**

ACN 009 129 560

# **ENTITLEMENT OFFER OFFER DOCUMENT**

For a non-renounceable pro rata offer of New Shares at an issue price of \$0.012 each on the basis of one New Share for every two Shares held at the Record Date to raise approximately \$3.0 million before costs.

The last date for acceptance and payment in full is 5.00 pm (AWST) 4 December 2014.

**THIS IS AN IMPORTANT DOCUMENT. IF YOU DO NOT UNDERSTAND IT, OR ARE IN DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER**

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## IMPORTANT NOTICES

This Offer Document is issued pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document was lodged with ASX on 25 November 2014. ASX takes no responsibility for the content of this Offer Document.

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, or to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No offer is being made to Shareholders with a registered address outside Australia and New Zealand. The distribution of this Offer Document and the Entitlement and Acceptance Form (including electronic copies) outside Australia and New Zealand may be restricted by law. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 1.7.

Information about the Company is publicly available and can be obtained from ASIC and ASX (including its website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Offer Document and do not constitute part of the Entitlement Offer. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Offer Document. Any such extraneous information or representation may not be relied upon.

This Offer Document includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements.

Applications for New Shares by Eligible Shareholders may only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Entitlement Offer. Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Entitlement Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document.

Please refer to the glossary in Section 5 for terms and abbreviations used in parts of this Offer Document.

## Chairman's letter

Dear Shareholder

On behalf of the Board of IMX, I am pleased to invite you to participate in a non-renounceable pro rata Entitlement Offer announced by the Company on 17 November 2014. This Entitlement Offer provides you with the opportunity to increase your investment in the Company and to further participate in the continued growth of the Company.

Eligible Shareholders will have the opportunity under the Entitlement Offer to subscribe for one New Share for every two Shares held on the Record Date at the issue price of \$0.012 per New Share. The issue price represents a discount of 25% to the closing price of the Shares last traded on the ASX on 14 November 2014 and a 37% discount on the last 5 day volume-weighted average price of IMX shares to that date.

The Company's focus is on exploration at our Nachingwea Property in southern Tanzania, in particular the Chilalo Graphite Project and the Kishugu Gold Prospect.

The Company will use the proceeds under the Entitlement Offer to conduct further exploration and evaluation work on the Chilalo Graphite Project and the Kishugu Gold Prospect and complete a tenement retention feasibility study on the Ntaka Hill Nickel Project, as well as funding working capital.

The Chilalo Graphite Project is located within the Mozambique belt system, which is well known for hosting high-grade, coarse flake graphite deposits. IMX holds a dominant land position in this area.

The Company has almost completed a Reverse Circulation (**RC**) drilling program at Chilalo and initial assays confirm the presence of large widths of high-grade mineralisation and the potential for Chilalo to host a significant graphite deposit (see ASX announcements 6 November 2014 and 13 November 2014). The assays received to date confirm graphite mineralisation over a strike length of 400m, with visual analysis suggesting a potential strike length in excess of 1km. The mineralisation also remains open to the north-east and down dip.

The RC drilling program comprised 33 holes for 2,558m of drilling, with the vast majority of holes intersecting graphite mineralisation. To date, assay results have been received from only six holes with further assays expected in the coming weeks.

In addition to the RC drilling, the Company has also recently commenced a program of approximately 1,000m of diamond drilling at Chilalo. This will assist in the definition of a JORC Mineral Resource, which the Company expects to complete during the March quarter of 2015, as well as providing core for metallurgical test work to determine the flake size distribution of the deposit, flotation recoveries and concentrate grades.

In May (see ASX announcement 29 May 2014), we announced the results of an initial soil sampling program that consisted of 168 sample points on a broad reconnaissance grid 400m x 200m which identified a large anomaly that measured 4km x 5.5km. Within the broader anomaly, the soil sampling program returned peak gold values of 904ppb Au, 793ppb Au and 437ppb Au, with these high values defining a 2km linear trend. This 2km trend was significant on its own, particularly given that the gold concentrations are the equivalent of 0.9, 0.8 and 0.4 g/t.

An in-fill soil sampling program was subsequently carried out with 404 surface soil samples which in-filled the anomaly on a 50m by 100m basis, within the existing 400m by 200m sampling grid along the main trend, where the highest concentration of gold values occur. The in-fill sampling returned peak gold values of 440ppb Au, 360ppb Au and 102ppb Au and defined the Kishugu anomaly as measuring 5.5km in length by 600m in width at gold values of greater than 10ppb Au, with significantly higher concentrations occurring within this trend (see ASX announcement 14 October 2014).

The Company has also recently commenced an extensive Induced Polarisation (**IP**) geophysical survey over the Kishugu gold target. Initial data from this survey is highly encouraging, with a strong correlation between the IP response and elevated levels of gold-in-soils

An RC drilling program, consisting of 12 holes to test the strong, coincident gold-in-soils and IP geophysical anomalies is planned to commence in the coming days.

Proceeds from the Entitlement Offer will go towards drilling the targets generated from the in-fill soils and IP survey.

In September 2013, the Company entered into a five year joint venture with MMG structured within 3 stages. MMG was targeting a Tier 1, high-grade mineral resource in the order of 27 million tonnes grading at or above 1.5 per cent nickel, such a mineral resource considered by MMG to be sufficiently material for development in any market conditions. MMG's Stage 1 diamond drilling program consisted of 8,065m and while mineralisation was intersected in several boreholes, the drilling did not generate the style or scale of mineralisation required by MMG for project development.

MMG subsequently notified the Company that having met its Stage 1 expenditure commitment of US\$10 million and earned a 15% interest in the Nachingwea Property, it elected not to proceed to Stage 2 of the joint venture. IMX is now responsible for management of exploration programs at Nachingwea and MMG has elected to dilute from current exploration being undertaken at the Chilalo Graphite Project and Kishugu Gold Prospect.

In June, the board of directors of Termite Resources NL (**Termite**), the entity which owns the Cairn Hill iron ore mine in South Australia, in which the Company holds a 51% interest, appointed an Administrator as a result of a prolonged downturn in the iron ore price. The Voluntary Administrator's final report to creditors was issued on 4 September 2014 and the second meeting of creditors took place on 15 September 2014, at which creditors voted to place Termite in liquidation.

All contractual liabilities for the Cairn Hill mine are the obligation of Termite except for a guarantee provided by IMX under the port handling services contract with Flinders Ports Pty Ltd (**Flinders Ports**), in respect of any liabilities under that contract which have not been satisfied by Termite. This guarantee is capped at \$3 million.

In July, the Company announced that it had successfully negotiated an agreement with Flinders Ports on a restructure of the guarantee. Flinders Ports has agreed not to make any claim on the guarantee until 1 July 2015, in exchange for which the Company has granted Flinders Ports security over the Company's Mt Woods tenements in South Australia. In September, the Company entered into an agreement with Cu-River Mining Pty Ltd to sell its 100%-owned Mt Woods tenements in South Australia for cash proceeds of \$3.68 million.

The sale of the Mt Woods tenements, which is expected to complete on or around the date of this document, will allow IMX to fully discharge its liability under the guarantee provided to Flinders Ports.

The details of the Entitlement Offer are set out in this Offer Document together with your personalised Entitlement and Acceptance Form. I encourage you to read the Offer Document in its entirety before making your investment decision. A description of risk factors that you may wish to consider is set out in Section 3.

On behalf of the Board, I commend this Entitlement Offer to you and look forward to your continuing investment in the Company. I thank you for your ongoing support as a Shareholder of the Company.

Yours sincerely

**Derek Fisher**  
**Chairman**

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## 1. Details of the Entitlement Offer

### 1.1 The Entitlement Offer

IMX Resources Limited ACN 009 129 560 (the **Company**) is making a non- renounceable pro rata offer (**Entitlement Offer**) of fully paid ordinary shares in the capital of the Company (**New Shares**) to Shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**). Eligible Shareholders who are on the Company's share register at 5.00 pm (AWST) on 24 November 2014 (**Record Date**) will be entitled to apply for one New Share for every two Shares held at an issue price of \$0.012 each per New Share. The issue price is payable in full on application.

If all Shareholders take up their Entitlement under the Entitlement Offer, up to 253,748,573 New Shares will be issued and the Company will raise approximately \$3,044,000 before costs. The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

The New Shares will be fully paid and will rank equally with the Company's existing issued Shares.

### 1.2 Key dates

The Entitlement Offer is open for acceptance until 5.00 pm (AWST) on the Closing Date or such other date as the Directors shall determine, subject to the Listing Rules. Other key dates for the Entitlement Offer are as follows:

<b>Event</b>	<b>Date</b>
Entitlement Offer announced via ASX	17 November 2014
Shares quoted on an "ex" basis	20 November 2014
Record Date to identify Shareholders entitled to participate in issue	24 November 2014
Offer Document lodged with ASX	25 November 2014
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders	26 November 2014
Closing Date for acceptance and payment	4 December 2014
Issue of New Shares	11 December 2014
Despatch of holding statements	12 December 2014
Commencement of trading of New Shares	12 December 2014

The timetable outlined above is indicative only and subject to change. The Directors, reserve the right to vary these dates, including the Closing Date, without prior notice but subject to the Corporations Act and the Listing Rules. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, Application Money will be returned without interest. See Section 1.6 for further details.

### 1.3 Use of proceeds and effect of the Entitlement Offer on the Company

The immediate financial effect of the Entitlement Offer on the Company will be to increase cash reserves by approximately \$3,044,000 (before costs). The Company intends to apply the funds raised in the following manner:

Use of proceeds	Indicative amount
Chilalo graphite exploration and evaluation	\$1.2M*
Kishugu gold exploration and evaluation	\$0.4M*
Ntaka Hill Nickel Tenement Retention Feasibility Study	\$0.1M*
Other costs associated with the Entitlement Offer	\$0.2M
Working capital	\$1.1M*

\* These amounts are indicative only and subject to change on account of the matters discussed in Section 3 (Risk factors).

The Company will use the proceeds under the Entitlement Offer to conduct further exploration and evaluation work on the Chilalo Graphite Project and the Kishugu Gold Prospect and complete a tenement retention feasibility study on the Ntaka Hill Nickel Project, as well as funding working capital.

The principal effect of the Entitlement Offer on the Company's capital structure will be to increase the total number of issued Shares to a maximum of 761,245,719 Shares. The following table sets out the number of issued Shares at the date of the Entitlement Offer and the total number of issued Shares at the close of the Entitlement Offer based on the maximum number of New Shares that may be issued under the Entitlement Offer:

Shares	Number
Issued Shares as at the date of this document	507,497,146
Maximum number of New Shares that may be issued pursuant to the Entitlement Offer <sup>1</sup>	253,748,573
Maximum number of issued Shares upon completion of the Entitlement Offer <sup>2</sup>	761,245,719

Notes:

<sup>1</sup>The number of New Shares to be issued assumes that no options or performance rights currently on issue are exercised or converted prior to the Record Date.

<sup>2</sup>Assumes that the Entitlement Offer is fully subscribed and that no options or performance rights currently on issue are exercised or converted prior to the Record Date.

Details of the effect of the Entitlement Offer on control of the Company are set out in Section 1.9.

### 1.4 Entitlements

Each Eligible Shareholder who is registered as the holder of Shares at 5.00 pm (AWST) on the Record Date is entitled to participate in the Entitlement Offer. The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Offer Document.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and returning it in accordance with the instructions set out on the reverse of that form prior to the Closing Date. If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your rights to participate in the Entitlement Offer will lapse and the New Shares not taken up by you will form part of the Shortfall. If your acceptance

exceeds your Entitlement as shown on the Entitlement and Acceptance Form, any excess will be deemed to be an application for additional New Shares under the Shortfall Offer.

As a result of this Entitlement Offer, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

In determining Entitlements, any fractional entitlements have been rounded up to the nearest whole number of Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. The sale by Applicants of New Shares prior to the receipt of a holding statement is at the Applicant's own risk.

### **1.5 ASX listing**

The Company has made an application to ASX for Official Quotation of the New Shares. If ASX does not grant quotation for the New Shares, the Company will not allot any New Shares and all Application Money will be refunded without interest.

The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Entitlement Offer or the New Shares under this Offer Document.

### **1.6 Refund of Application Money**

Application Monies will be held in a subscription account established and held by the Company on behalf of each Eligible Shareholder until the New Shares are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on any Application Money will be for the benefit of the Company and will be retained by the Company regardless of whether New Shares are issued under the Entitlement Offer.

### **1.7 Shortfall**

If you do not wish to take up any part of your Entitlement under the Entitlement Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with in accordance with this Section 1.7.

Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their Entitlements in full may apply for additional New Shares under the Shortfall Offer (**Shortfall Shares**). For instructions on how to apply for Shortfall Shares please refer to Section 2.4.

Shortfall Shares will be issued to Eligible Shareholders at the discretion of the Directors. Therefore, the Directors cannot guarantee that your Application for Shortfall Shares will be successful. The Directors reserve the right to allot to an Application a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application or to not proceed with the placing of the Shortfall Shares. If the number of Shortfall Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to deal with the Shortfall Shares which are not taken up by Eligible Shareholders under the Entitlement Offer within 3 months after the Closing Date, including by inviting persons to apply for the Shortfall Shares. Such Shortfall Shares will only be issued at an issue price that is not less than the issue price offered to Eligible Shareholders under the Offer Document and will not be issued to the Directors or to related parties (or their associates).

### **1.8 Excluded Shareholders**

The Company will not make the Entitlement Offer to Shareholders with a registered address outside Australia and New Zealand (**Excluded Shareholders**). The Company has decided that it is unreasonable to extend the Entitlement Offer to Excluded Shareholders having regard to:



- (a) the number of Shareholders outside Australia and New Zealand;
- (b) the number and value of New Shares that would be offered to Shareholders outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

Accordingly, the Entitlement Offer will not be extended to Excluded Shareholders.

#### **1.9 Effect on control**

The potential effect that the issue of New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand for New Shares. However, given the structure of the Entitlement Offer as a pro rata issue, the potential effect that the issue of the New Shares will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up their entitlements under the Entitlement Offer then the interests of those Eligible Shareholders will be diluted;
- (c) the proportional interests of shareholders with an address outside of Australia and New Zealand will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
- (d) although the issue of New Shares which are not taken up by Eligible Shareholders under the Entitlement Offer may increase the voting power of the investors who may be allocated New Shares via the shortfall process, it is not expected to have any material effect on the control of the Company.

#### **1.10 Enquiries**

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Company Secretary by telephone on +61 8 9388 7877 or consult your professional adviser.

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## **2. Actions required by Shareholders**

Acceptance of the Entitlement Offer must be made by Eligible Shareholders on the Entitlement and Acceptance Form accompanying this Offer Document. The Directors reserve the right to reject any applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement and Acceptance Form.

### **2.1 Taking up all of your Entitlement**

If you wish to take up all of your Entitlement, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and arrange for payment of the Application Money in accordance with Section 2.5.

### **2.2 Allow all or part of your Entitlement to lapse**

If you decide not to accept all or part of your Entitlement to New Shares, or fail to accept by the Closing Date, your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

If you do nothing, although you will continue to own the same number of Shares, your shareholding in IMX will be diluted.

### **2.3 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement under the Entitlement Offer and allow the balance to lapse, please complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up in accordance with the instructions set out on the reverse of that form and arrange for payment of the applicable amount of Application Money in accordance with Section 2.5.

### **2.4 Applying for Shortfall Shares**

Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their Entitlements in full may apply for additional New Shares under the Shortfall Offer by completing the section of the Entitlement and Acceptance Form entitled "Shortfall Shares" in accordance with the instructions set out on the reverse of that form.

### **2.5 Payment and return of Entitlement and Acceptance Form**

You may pay the Application Money by BPAY<sup>®</sup>, cheque, money order or bank draft.

#### **Payment by BPAY<sup>®</sup>**

Those who elect to pay by BPAY<sup>®</sup> must follow the instructions for BPAY<sup>®</sup> described in the Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). Please note that should you choose to pay by BPAY<sup>®</sup> payment:

- (a) you do **not** need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- (b) if you do **not** pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Money.

Applicants should be aware that their own financial institution may implement earlier cut off times with respect to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY<sup>®</sup> must be received by no later than 3.00 pm (AWST) on 4 December 2014.

### **Payment by cheque, money order or bank draft**

Those who elect to pay by cheque, money order or bank draft must follow the instructions described in the Entitlement and Acceptance Form. You must ensure that:

- (a) your Entitlement and Acceptance Form is complete;
- (b) your cheque, money order or bank draft for the applicable amount of Application Money must be made in Australian currency, drawn on an Australian branch of a financial institution, be made payable to "IMX Resources Limited" and crossed "Not Negotiable";
- (c) your completed Entitlement and Acceptance Form and cheque, money order or bank draft are received by the Company's Share Registry by no later than 5.00 pm (AWST) on 4 December 2014 at:

Computershare Investor Services Pty Limited  
GPO BOX 505 Melbourne Victoria 3001 Australia

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### 3. Risk factors

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance.

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Offer Document and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code IXR) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

Shareholders should also consider the following summary risk factors which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

#### **Exploration, development, mining and processing risks**

The exploration licences of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a wide range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend on the Company having access to sufficient development capital to allow for progressing exploration opportunities towards mining operations, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of the Company and possible relinquishment of the licences.

The exploration costs of the Company are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially affect the Company's viability.

#### **Cairn Hill Administration**

On 18 June 2014, the Company announced the appointment of voluntary administrators to Termite Resources NL (**Termite**). Termite is wholly owned by an incorporated joint venture entity in which the Company holds a 51% interest. Termite holds the joint venture's interests in the Cairn Hill iron ore mine, located 55 kilometres south-west of Cooper Pedy in South Australia.

IMX invested approximately \$21 million into developing the Cairn Hill mine by way of loans to Termite. These loans have been satisfied over the past 4 years, partially from funds advanced by joint venture partner Taifeng Yuanchuang International Development in 2010 and partially by distributions made by Termite. The Company believes that at all points in time, Termite was able to pay its debts as and when these fell due for payment. Termite was placed in administration when it became apparent that declining ore prices and unfavourable foreign exchange movements at some future point in time, prevent Termite from continuing to incur and then meet its debts as and when they fall due.

The first meeting of Termite creditors was held on 30 June 2014. The Voluntary Administrator's final report to creditors was issued on 4 September 2014 and the second meeting of creditors took place on 15 September 2014, at which creditors voted to place Termite in liquidation. As an ordinary information gathering process, examination summons have been issued against existing and former directors of Termite (some of whom are also IMX directors and officers). The liquidators may examine those recipients about the affairs of Termite. Termite's insurer has been notified and asked to take carriage of the examination process for the recipients of the examination summons. No claim has been made on IMX, nor is one capable of being successfully made.

All contractual liabilities for the Cairn Hill mine are the obligation of Termite, except for a guarantee provided by the Company under a port handling services contract with Flinders Port Pty Ltd (**Flinders**) in respect of any liabilities under that contract which have not been satisfied by Termite. This guarantee is capped at \$3 million. The Company has entered into an agreement with Cu-River Mining Pty Ltd to sell its 100%-owned Mt Woods tenements in South Australia for cash proceeds of \$3.68 million.

The sale of the Mt Woods tenements, which is expected to complete on or around the date of this document will allow IMX to fully discharge its liability under the guarantee provided to Flinders Ports.

There can be no assurance that the sale of the Mt Woods tenements to Cu-River Mining Pty Ltd will complete. Should the sale not complete, this could have a material adverse effect on the Company's activities and financial condition.

### **Future capital requirements**

The Company may require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Entitlement Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted.

### **Key personnel**

Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

### **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party. Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's operations.

## **Country Risk**

The Company holds assets located in Tanzania and Canada and may acquire assets in foreign countries in the future. There are risks associated with exploration and mining activities and investments generally in foreign countries that may adversely affect the business, costs, expenditure and profitability of the Company. These risks include without limitation:

- (a) changes in foreign country government, government policies, regulatory regime, economic change, civil instability and attitudes towards foreigners or their businesses;
- (b) land access and environmental regulation may be adverse or beneficial; and
- (c) the applicable legal regime including investment into and repatriation of revenue out of the foreign country.

## **No minimum subscription**

There is no minimum subscription under the Entitlement Offer. As such, there is no guarantee that the Company will raise sufficient funds to enable the development of the Company's projects and there may be restrictions of the financing and operating activities of the Company. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

## **Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares.

General factors that may affect the market price of Shares include without limitation economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

## **Commodity price volatility and exchange rate risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity prices and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand for minerals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, prices of various commodities and services may be denominated in United States dollars or Tanzanian shillings, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar and the Tanzanian shilling and the Australian dollar as determined in international markets.

## **Liquidity risk**

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Entitlement Offer.

### **Investment risk**

An investment in New Shares should be considered speculative. New Shares carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those New Shares.

### **Logistics and infrastructure**

The Company's exploration projects in Tanzania are subject to logistical risk of a long supply line and lack of nearby engineering and other support facilities. They are located in remote areas of southern Tanzania which lack basic infrastructure, including sources of power, water, housing, food and transport.

Owing to a shortage of skilled local personnel, the Company engages expatriate workers to perform certain functions in Tanzania. In order to develop any of its exploration properties, the Company will need to establish the facilities and material necessary to support operations in the remote locations in which they are situated. The remoteness of the properties will also affect the potential viability of mining operations, as the Company will also need to establish more significant sources of power, water, physical plant and transport infrastructure in the area. The lack of availability of such sources may adversely affect mining feasibility and may, in any event, require the Company to arrange significant financing, locate adequate supplies and obtain necessary approvals from national regional governments, none of which can be assured.

### **Uninsurable risks**

The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability. The Company maintains insurance to protect against certain risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations and losses from such events may cause the Company to incur significant costs that could have a material adverse effect upon its performance.

### **Estimation of Mineral Resources and Ore Resources**

There is a degree of uncertainty to the estimation of Mineral Resources and Ore Reserves and corresponding grades being mined or dedicated to future production. Until Mineral Resources or Ore Reserves are actually mined and processed, the quantity of Mineral Resources and Ore Reserves must be considered as estimates only. In addition, the grade of Mineral Resources and Ore Reserves may vary depending on, among other things, metal prices. Any material change in quantity and grades of Mineral Resources, Ore Reserves, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in nickel and other base or precious metals prices, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources and / or Ore Reserves, could have a material adverse effect on the Company's financial condition.

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**4. Additional information****4.1 Effects of rounding and warning against share splitting**

All Entitlements will be rounded up to the nearest whole number of New Shares.

If the Company reasonably believes that a Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage from the rounding up of Entitlements, then the Company reserves the right to round the Entitlement of such holdings so as to provide only the number of New Shares that would have been received but for the splitting or division.

**4.2 Tax**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

**4.3 Privacy**

The Entitlement and Acceptance Form requires you to provide information that may be personal information for the purpose of the Privacy Act 1988 (Cth). The Company (and the Share Registry on its behalf) collects, holds and uses personal information in order to assess applications for New Shares, service the needs of Shareholders, provide facilities and services and to administer the Company.

Access to information may also be provided to the Company's related bodies corporate, agents and service providers, regulatory bodies, mail houses and the Share Registry.

If you do not provide the information requested of you in the Entitlement and Acceptance Form, the Share Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.



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## 5. Glossary

In this Offer Document:

**\$** means Australian dollars, unless otherwise specified.

**Applicant** means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.

**Application Money** means the aggregate amount of money payable for New Shares applied for in a duly completed Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

**AWST** means Australian Western Standard Time.

**Closing Date** the last day for payment and return of Entitlement and Acceptance Forms, being 5.00 pm (AWST), 4 December 2014.

**Company Secretary** means the company secretary of the Company.

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder at the Record Date who is not an Excluded Shareholder.

**Entitlement** means the number of New Shares that a Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Shares held by that Shareholder on the Record Date.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Excluded Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**Listing Rules** means the official listing rules of ASX.

**IMX or Company** means IMX Resources Limited ACN 009 129 560.

**New Share** means a new Share to be issued under the Entitlement Offer.

**Official Quotation** means "quotation" (as that term is used in the Listing Rules) of all of the New Shares on ASX when allotted which if conditional may only be conditional on customary pre-quotation conditions.

**Record Date** means 5.00 pm on 24 November 2014 or such other date as may be determined by the Directors.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Share Registry** means Computershare Limited ACN 005 485 825.

**Shortfall** means the number of New Shares offered under the Entitlement Offer for which valid applications have not been received from Eligible Shareholders before the Closing Date.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 1.7.

## For all enquiries:

### Phone:

(within Australia) (08) 9388 7877

(outside Australia) +61 8 9388 7877

## Make your payment:



See over for details of the Offer and how to make your payment

## Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

### Your payment must be received by 5.00 pm (AWST) on 4 December 2014

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Registration Name

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

Eligible Shareholders who are on the Company's share register at 5.00 pm (AWST) on 24 November 2014 (**Record Date**) will be entitled to apply for one New Share for every two Shares held at an issue price of \$0.012 each per New Share.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and returning it in accordance with the instructions set out on this form prior to the Closing Date. If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your rights to participate in the Entitlement Offer will lapse and the New Shares not taken up by you will form part of the Shortfall. If your acceptance exceeds your Entitlement as shown on the Entitlement and Acceptance Form, any excess will be deemed to be an application for additional New Shares under the Shortfall Offer.

### Shortfall

If you wish to apply for additional New Shares under the Shortfall Offer, please insert the number of additional New Shares you wish to apply for in the box entitled "Number of Shortfall Shares applied for" on the reverse of this form. Shortfall Shares will be issued at the discretion of the Directors.

### Payment Method

Choose one of the payment methods shown below:

**BPAY®:** See overleaf. Do not return the slip with **BPAY** payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to IMX Resources Limited. The cheque must be drawn from an Australian bank. Cash is not accepted.


Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below as indicated. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Offer →**

# Entitlement and Acceptance Form with Additional Shares

## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/HIN confidential.

Registration Name:

Entitlement No:

**Offer Details:** Existing shares entitled to participate as at 5.00 pm (AWST) on 24 November 2014:  
Entitlement to New Shares on a one New Share for every two Shares held basis:  
Amount payable on full acceptance at \$0.012 per New Share:


## STEP 2 Make Your Payment



Bill Code: 238766  
Ref No:

### Pay by Mail:



Make your cheque, bank draft or money order payable to "IMX Resources Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to:

**Computershare Investor Services Pty Limited  
GPO BOX 505 Melbourne Victoria 3001 Australia**

Contact your financial institution to make your payment from your cheque or savings account.

### Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 3.00 pm (AWST) on 4 December 2014. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor IMX Resources Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5.00 pm (AWST) on 4 December 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor IMX Resources Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

### Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here -----

## IMX Resources Limited Acceptance Payment Details

Entitlement taken up:

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Number of Shortfall Shares applied for:

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Amount enclosed at \$0.012 per New Share:

**A\$**

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Entitlement No:

**Payment must be received by 5.00 pm (AWST) on 4 December 2014**

## Contact Details

Contact Name \_\_\_\_\_

Daytime

Telephone \_\_\_\_\_

## Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$