

IMX RESOURCES LIMITED

ABN 67 009 129 560

**INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2014**



IMX RESOURCES LIMITED
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HALF-YEAR ENDED 31 DECEMBER 2014

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These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by IMX Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

IMX RESOURCES LIMITED

CORPORATE DIRECTORY

Directors

Dr Derek Fisher (Non – Executive Chairman)
Ms Kellie Benda (Non – Executive Director)
Mr Nicholas Corlis (Executive Director)

Chief Executive Officer

Mr Philip Hoskins

Company Secretary

Mr Stuart McKenzie

Registered Office

Level 2, 41-47 Colin Street
WEST PERTH WA 6005
Tel + 61 8 9388 7877
Fax + 61 8 9382 2399

Solicitors

Clayton Utz Australia
Level 27, QV.1 Building, 250 St Georges Terrace
PERTH WA 6000

Share Register

Computershare Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
Tel + 61 8 9323 2000
Fax + 61 8 9323 2033

Computershare Limited
Level 8, 100 University Avenue
TORONTO ONTARIO M5J2Y1
Tel + 1 416 263 9547
Fax + 1 416 981 9679

Auditors

KPMG
235 St Georges Terrace
PERTH WA 6000

Website Address

www.imxresources.com.au

Stock Exchange Code

Shares are listed on the Australian Securities Exchange ("**ASX**") and Toronto Stock Exchange ("**TSX**") under the code IXR.

*IMX Resources Limited ("**IMX**") is a reporting issuer under the securities laws of certain provinces of Canada. IMX is also a "designated foreign issuer" as defined in National Instrument 71-102 of the Canadian Securities Administrators ("**NI 71-102**") and, as such, is generally permitted to meet certain Canadian disclosure requirements by complying with the disclosure requirements of a foreign authority. In the case of IMX, such foreign regulatory authorities are the ASX and the Australian Securities and Investments Commission. IMX files documents required by NI 71-102 in Canada on its profile at www.sedar.com.*

IMX RESOURCES LIMITED

DIRECTORS' REPORT

The Directors present the consolidated financial report of IMX Resources Limited (“**IMX**” or the “**Company**”) and its controlled entities (the “**Group**”) for the six months ended 31 December 2014.

Amounts are expressed in Australian dollars unless otherwise noted.

Directors

The names of the Company’s Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Non-Executive

Mr Derek Fisher (Chairman)
Ms Kellie Benda
Mr John Nitschke (resigned 31 July 2014)
Mr Robert Sun (resigned 15 December 2014)

Executive

Mr Nicholas Corlis (appointed 3 September 2014)
Mr Gary Sutherland (resigned 30 September 2014)

Company Secretary

Mr Stuart McKenzie

Review of Operations

Corporate

Results for the Half-Year

The net loss after income tax of the Group for the half-year ended 31 December 2014 was \$2.2 million (2013: \$14.7 million). The result for the half-year is attributable to:

- (1) Profit on the sale of the Company’s Mt Wood Project of \$3.68 million. These proceeds were subsequently used to settle a \$3 million liability the Company had outstanding;
- (2) Administration costs of \$3.05 million (2013: \$2.7 million);
- (3) Business development costs for the half-year of \$0.2 million in relation to Ntaka Hill partnering process (2013: \$0.8 million relating to the MMG Joint Venture and Mt Woods magnetite project partnering process); and
- (4) Exploration costs of \$2.7 million (2013: \$5.8 million).
- (5) Shares issued during the period to raise a net amount of \$4 million together with the issue of 50.7 million unlisted securities as share based payments or under the Group’s Employee Share Scheme.

Owing to a steep and rapid decline in the iron ore price during the June Quarter of 2014, the Company’s 51% owned Cairn Hill Mine was placed in voluntary administration in June 2014. Distributions from the Cairn Hill Mine had previously been utilised to fund the Group’s activities, including development of the Mt Woods tenements in South Australia and exploration at the Nachingwea Property in south-eastern Tanzania.

Pursuant to the sharp downturn in the iron ore price, in November 2014, IMX sold its 100% owned Mt Woods tenements for cash proceeds of \$3.68 million, \$3.0 million of which was used to extinguish a liability to Flinders Ports Pty Ltd arising from the cessation of operations at the Cairn Hill Mine. The sale of the Mt Woods tenements completed the Company’s transition out of iron ore in South Australia, leaving it debt-free and focused on exploration at the Nachingwea Property.

The Group is forecasting that its expenditure for the next 12 months can be funded from existing cash balances and proceeds from a joint venture transaction over the Ntaka Hill Nickel Project with Loricatus Resource Investments (“**Fig Tree**”). If these cash flows do not eventuate as expected, there are alternative sources of funding that are potentially available which could include asset sales, debt or equity raising, and / or securing suitable arrangements with new JV partners.

IMX RESOURCES LIMITED

DIRECTORS' REPORT

Review of Activities

Nachingwea Property – Chilalo Graphite Project

Following a review of previous rock chip sampling and Versatile Time Domain Electromagnetic (“VTEM”) data, in August 2014 the Company identified a graphite opportunity at Chilalo.

In October 2014, a Reverse Circulation (“RC”) and diamond drilling program commenced, which resulted in the discovery of a high-grade flake graphite deposit.

The RC drilling program was comprised of 50 holes for 3,810m. While all drill holes intersected graphite, one target, with significant widths of near surface, high-grade mineralisation became the focus of drilling. A total of 13 holes were drilled into the high-grade discovery zone, defining mineralisation over a strike length of 1km, with mineralisation outcropping at surface and remaining open down-dip. Noteworthy intersections from the RC drilling included:

- Hole NRC14-140: 24m @ 11.7% TGC from 28m, including 14m @ 14.9% TGC;
- Hole NRC14-150: 18m @ 12.7% TGC from 16m, including 14m @ 14.6% TGC;
- Hole NRC14-154: 16m @ 11.7% TGC from 18m, including 6m @ 13.5% TGC; and
- Hole NRC14-157: 32m @ 11.4% TGC from 18m, including 14m @ 14.3% TGC.

IMX confirms that since announcing these exploration results on 13 November 2014 and 3 December 2014, it is not aware of any new information or data that materially affects the information included in those announcements.

To assist in the definition of a JORC Mineral Resource and to provide core for metallurgical test work to determine the flake size distribution of the deposit, flotation recoveries and concentrate grades, a total of 544m of diamond drilling was also carried out at Chilalo. The diamond drilling confirmed the potential for a significant graphite resource at Chilalo, with the results correlating with those from twinned RC drilling. Assay results included:

- 24m @ 12.29% TGC from Hole DD067 (twinned from Hole RC140 which returned 24m @ 11.7% TGC);
- 24m @ 12.50% TGC from Hole DD068 (twinned from Hole RC157 which returned 24m @ 13.1% TGC);
- 12m @ 10.20% TGC and 10m @ 9.64% TGC from Hole DD069 (twinned from Hole RC151 which returned 20m @ 7.2% TGC); and
- 16m @ 10.3% TGC and 16m @ 7.4% TGC from Hole DD070 (twinned from Hole RC154 which returned 16m @ 11.7% TGC and 16m @ 5.9%).

IMX confirms that since announcing these exploration results on 10 February 2015, it is not aware of any new information or data that materially affects the information included in that announcement.

This high-grade discovery zone has been designated for both Mineral Resource estimation and metallurgical test work, both of which are under way and expected to be completed during March 2015.

IMX RESOURCES LIMITED DIRECTORS' REPORT

Nachingwea Property – Ntaka Hill Nickel Project

During December 2014, IMX entered into a Project Acquisition Agreement (the “**Agreement**”) with Loricatus Resource Investments, an investment vehicle on behalf of Mauritius-based mining private equity fund, Fig Tree, to establish a new joint venture over the Ntaka Hill Nickel Project in south-east Tanzania.

The key terms of the Agreement include:

- Fig Tree will initially acquire a 70.65% JV interest in the Ntaka Hill Nickel Project for US\$5.88M cash consideration payable to the Nachingwea JV and a commitment to fund a feasibility study;
- Fig Tree will have the right to maintain its 70.65% JV interest in the Ntaka Hill Nickel Project upon sole funding completion of a feasibility study within five years;
- If the feasibility study is not completed within five years, Fig Tree's interest in the Ntaka Hill JV will be diluted to 50% and Fig Tree's expenditure will convert to a subordinated, interest free shareholder loan; and
- Fig Tree will assume full operational control of the Ntaka Hill Nickel Project and will have the right to appoint the manager of the new Ntaka Hill JV with discretion to define technical programs for the project.

Completion of the transaction with Fig Tree is conditional upon:

- Fig Tree completing its due diligence to its satisfaction by no later than 20 March 2015;
- The granting of a Retention Licence over the Ntaka Hill Nickel Project expected on or before 6 April 2015;
- Approval from the Tanzania Fair Competition Commission; and
- The transfer to the new JV company of the licences required for the Ntaka Hill Nickel Project.

On 20 February 2015, the Company received formal notification from Fig Tree as required under the Agreement, that its due diligence reviews completed to date had not identified any issues that would preclude Fig Tree from progressing towards completion of the transaction.

The Retention Licence Application and application for approval of the Tanzania Fair Competition Commission were both lodged on 4 February 2015 and the Company anticipates that these items will be dealt with expeditiously by the Tanzanian authorities.

The JV with Fig Tree will relate to the Ntaka Hill Nickel Project only. The Ntaka Hill Nickel Project is located on two tenements within the area covered by the Nachingwea JV between IMX and MMG. As a result, should the transaction with Fig Tree complete, the Ntaka Hill tenements will be excised from the rest of the Nachingwea JV.

Whilst the company anticipates the sale will occur shortly after the date of this report the Directors believe there are alternate purchasers interested in the Ntaka Hill project should the transaction not conclude as agreed. The Directors are confident that further funding could be sourced through these alternatives to fund the Company's ongoing strategy.

Nachingwea Property – Kishugu Gold Prospect

The Kishugu Gold Prospect is an extensive, coherent gold-in-soil anomaly measuring 6km by 600m @ +10ppb with significantly higher values within the main trend (904ppb). Together with strong coincident Induced Polarisation (“**IP**”) anomalies and the presence of associated pathfinder elements such as As, Bi and Ag, the Kishugu Gold Prospect represents an outstanding target.

During the half-year, a significant amount of IP survey work was carried out at Kishugu. Data from this survey showed a large, broad chargeability anomaly that is coincident with a sizeable geochemical signature and confirmed earlier findings from IP survey work at Kishugu, that revealed a correlation between the IP response and elevated levels of gold-in-soils across much of the anomaly. The Company plans to complete a maiden drilling program during May 2015.

IMX RESOURCES LIMITED DIRECTORS' REPORT

Nachingwea Property – Regional exploration

The Nachingwea Property is a large tenement package covering approximately 5,900 km². As part of the Company's regional exploration initiative, during the half-year, 880 soil samples were collected at two locations on the Nachingwea Property. The Company is carrying out preliminary analysis of samples using a portable NITON-XRF analyser, with samples to be sent for assay according to the results of such analysis.

There is a significant level of data over the Nachingwea Property and a desktop assessment of these datasets is continuing, in order to identify the best anomalies to feed a pipeline of targets for the 2015 field season.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to 31 December 2014, a total of 2,625,000 unlisted options have expired unexercised. There has been no other significant event that has occurred between 31 December 2014 and the date of this report that has significantly affected, or may significantly affect the operations of the economic entity, the results of these operations or the state of affairs of the entity in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of IMX with an Independence Declaration in relation to the half-year ended 31 December 2014. The Independence Declaration is attached to and forms part of this Directors' Report.

This report is made in accordance with a resolution of Directors of IMX.



Derek Fisher
CHAIRMAN
PERTH, WA

16 March 2015



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of IMX Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Denise McComish

Denise McComish
Partner

Perth

16 March 2015

IMX RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 DECEMBER 2014 \$'000	31 DECEMBER 2013 * \$'000
Other income		472	241
Profit on sale of tenements		3,681	-
Business development costs		(194)	(822)
Corporate and administration expenses		(3,050)	(2,677)
Exploration expenses		(2,700)	(5,746)
Other expenses		(323)	(422)
RESULTS FROM OPERATING ACTIVITIES		(2,114)	(9,426)
Finance costs		(96)	-
PROFIT/(LOSS) BEFORE TAX		(2,210)	(9,426)
Income tax benefit	6	-	-
PROFIT/(LOSS) FOR THE PERIOD		(2,210)	(9,426)
DISCONTINUED OPERATIONS			
Loss from discontinued operations		-	(5,301)
NET PROFIT/(LOSS) AFTER TAX		(2,210)	(14,727)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation differences, net of tax		3,776	671
Share of other comprehensive income of equity accounted investees		-	(1,009)
Total items that may be reclassified subsequently to profit and loss		3,776	(338)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		1,566	(15,065)
Net Profit/(Loss) is attributable to:			
Owners of IMX Resources Limited		(2,210)	(12,129)
Non-controlling interest		-	(2,598)
		(2,210)	(14,727)
Total Comprehensive Profit/(Loss) is attributable to:			
Owners of IMX Resources Limited		1,566	(12,467)
Non-controlling interest		-	(2,598)
		1,566	(15,065)
Loss per share attributable to owners of the Company:			
Basic profit/(loss) per share (cents)		(0.5)	(3.1)
Diluted profit/(loss) per share (cents)		(0.5)	(3.1)

The condensed notes on pages 11 to 14 are an integral part of these condensed consolidated interim financial statements.

* The 2013 Condensed Statement of Comprehensive Income has been represented, refer to note 11.

IMX RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 DECEMBER 2014 \$'000	30 JUNE 2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,424	1,726
Trade and other receivables		1,214	1,105
Assets classified as held for sale		-	383
TOTAL CURRENT ASSETS		2,638	3,214
NON-CURRENT ASSETS			
Exploration and evaluation expenditure assets	7	28,309	24,529
Property, plant and equipment		799	793
Loans to related parties	9	2	2
TOTAL NON-CURRENT ASSETS		29,110	25,324
TOTAL ASSETS		31,748	28,538
CURRENT LIABILITIES			
Trade and other payables		979	1,013
Provisions		129	3,173
TOTAL CURRENT LIABILITIES		1,108	4,186
NON-CURRENT LIABILITIES			
Provisions		58	58
TOTAL NON-CURRENT LIABILITIES		58	58
TOTAL LIABILITIES		1,166	4,244
NET ASSETS		30,582	24,294
EQUITY			
Contributed equity	10	124,960	120,336
Reserves		4,998	5,304
Accumulated losses		(103,558)	(101,348)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		26,400	24,292
Non-controlling interest		4,182	2
TOTAL EQUITY		30,582	24,294

The condensed notes on pages 11 to 14 are an integral part of these condensed consolidated interim financial statements.

IMX RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 DECEMBER 2014 \$'000	31 DECEMBER 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	99,831
Interest and other receipts	233	70
Payments to suppliers and employees	(2,701)	(92,643)
Payment of exploration expenditure	(2,261)	(5,182)
Net cash inflow / (outflow) from operating activities	(4,729)	2,076
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(47)	(87)
Proceeds from the sale of equity investments	-	1,282
Proceeds from sale of tenements	3,680	-
Payments for development expenditure	(184)	-
Payment for security bonds	-	(21)
Net cash inflow / (outflow) from investing activities	3,449	1,174
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,394	-
Cost of equity issued	(336)	-
Repayment of liability	(3,000)	-
Repayment of Sichuan Taifeng Loan	-	(12,774)
Finance costs	(96)	(31)
Net cash outflow from financing activities	962	(12,805)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(318)	(9,555)
Opening cash and cash equivalents brought forward	1,726	26,363
Effects of exchange rate movements on opening cash	16	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,424	16,808

The condensed notes on pages 11 to 14 are an integral part of these condensed consolidated interim financial statements.

IMX RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Foreign Currency Translation Reserve	Share Based Equity Reserve	Options Reserve	Other Equity Reserve	Retained Earnings	Non- Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	120,336	390	3,970	1,048	-	(81,856)	5,829	49,717
Total Other Comprehensive Income for half-year								
- Loss for the half-year	-	-	-	-	-	(12,129)	(2,598)	(14,727)
- Foreign exchange translation differences	-	671	-	-	-	-	-	671
- Share of other comprehensive income reclassified to profit and loss on sale of equity accounted investees	-	(1,009)	-	-	-	-	-	(1,009)
	-	(338)	-	-	-	(12,129)	(2,598)	(15,065)
Transactions with owners in their capacity as owners:								
- Employee share options – value of employee services	-	-	200	-	-	-	-	200
Balance at 31 December 2013	120,336	52	4,170	1,048	-	(93,985)	3,231	34,852
Balance at 1 July 2014	120,336	36	4,220	1,048	-	(101,348)	2	24,294
Total Other Comprehensive Income for half-year								
- Loss for the half-year	-	-	-	-	-	(2,210)	-	(2,210)
- Foreign exchange translation differences	-	3,776	-	-	-	-	-	3,776
	-	3,776	-	-	-	(2,210)	-	1,566
Transactions with owners in their capacity as owners:								
- Issues of shares	4,960	-	-	-	-	-	-	4,960
- Share Issue costs	(336)	-	-	-	-	-	-	(336)
- Equity attributed to minority	-	-	-	-	(4,180)	-	4,180	-
- Employee share options – value of employee services	-	-	98	-	-	-	-	98
Balance at 31 December 2014	124,960	3,812	4,318	1,048	(4,180)	(103,558)	4,182	30,582

The condensed notes on pages 11 to 14 are an integral part of these consolidated interim financial statements.

IMX RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2014

1. Corporate information

IMX Resources Limited (“**IMX**” or the “**Company**”) is a company incorporated in Australia and limited by shares. IMX shares are publicly traded on the Australian Securities Exchange (“**ASX**”) and on the Toronto Stock Exchange (“**TSX**”). The consolidated interim financial statements of the Company as at, and for the six months ended, 31 December 2014 comprise the Company and its subsidiaries (together the “**Group**”).

The principal activities of the Company are exploration for graphite, base and precious metals.

The consolidated financial statements of the Group as at and for the year ended 30 June 2014 are available online at www.imxresources.com.au or upon request from the Company’s registered office located at Level 2, 41-47 Colin Street, West Perth 6005, Australia.

This financial report was authorised for issue in accordance with a resolution of the Directors on 16 March 2015.

2. Basis of preparation and accounting policies

This general purpose interim financial report for the half-year ended 31 December 2014 has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by IMX during the half-year ended 31 December 2014 in accordance with the Company’s continuous disclosure obligations.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the consolidated interim financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

3. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those disclosed in the Company’s 2014 Annual Financial Report for the financial year ended 30 June 2014.

4. Going Concern

For the half-year ended 31 December 2014, the Group has incurred a loss after tax of \$2.2 million. The Group’s net assets are \$30.6 million.

On 16 December 2014, the Company entered into a project acquisition agreement on its Ntaka Hill Nickel project in Tanzania with Loricatus Resources Investments (“**Fig Tree**”). Under the terms of the agreement Fig Tree will initially acquire 70.65% of the project for cash consideration of US \$5.88 million. At the date of this report the Company was awaiting confirmation the due diligence process had been completed, the decision by Fig Tree’s investment committee and approval of the retention license over Ntaka Hill. Successful completion of these milestones gives the Company access to draw down on part of the purchase consideration as a prepayment. Full consideration will not be received by the Company until approval is received by the Tanzanian Fair Competition Commission and the licenses are transferred to a new joint venture Company. Based on current forecasts this cash injection will satisfy the Group’s planned expenditure for more than the next 12 months.

Whilst the Company anticipates the sale of Ntaka Hill completing, the Directors believe there are alternative purchasers interested in the Ntaka Hill project and are confident that further funding can be obtained as necessary to fund the Company’s strategy. Sources of additional funding if required could include further asset sales, equity raisings, and / or securing additional arrangements with new JV partners.

IMX RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2014

For the reasons set out above, the financial report has been prepared on a going concern basis such that the Group can realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. However, in the event the Company is unsuccessful in selling the Ntaka Hill Project or raising additional funds in the manner described above, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and settle its liabilities in the normal course of business.

5. Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2014.

6. Income Tax

The Group does not bring to account deferred tax assets other than to offset deferred tax liabilities.

7. Exploration and Evaluation Expenditure Assets

	31 December	30 June
	2014	2014
	\$'000	\$'000
Exploration & evaluation expenditure assets	28,309	24,529
	28,309	24,529
<i>Reconciliation of exploration & evaluation expenditure assets</i>		
Carrying amount at the beginning of the half-year	24,529	25,294
Additions	-	-
Foreign currency translation	3,780	(765)
Carrying amount at the end of the half-year	28,309	24,529

8. Joint Venture

During the half-year, MMG Exploration Holdings Limited ("MMG") incurred \$3.7 million towards its US\$10 million expenditure obligation under Stage 1 of the Nachingwea Earn-In and JV Agreement. On completion of the US\$10m obligation, MMG elected not to proceed to Stage 2 of the Earn-In and JV Agreement. As a result of this decision, MMG's interest in the Nachingwea JV crystallised at 15%, and the Group has recognised a non-controlling interest in its Condensed Statement of Financial Position, with a corresponding amount recognised in other equity reserves.

During the period, the Company incurred further expenditures in respect of the Nachingwea JV, which MMG elected not to contribute towards. As a result, pursuant to the operation of the Earn-In and JV Agreement, MMG's interest in the JV has further diluted and at 31 December 2014 stood at 14.76%

	31 December	30 June
	2014	2014
	\$'000	\$'000
9. Loans to Related Parties		
Loan to Sichuan Taifeng Group	2	2
	2	2

IMX RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2014

10. Contributed Equity

	31 December 2014		30 June 2014	
	Number of shares	\$'000	Number of shares	\$'000
(a) Issued and Paid up Capital				
Ordinary shares fully paid	670,621,126	124,960	396,497,145	120,336

(b) Movement in fully paid Ordinary Shares

	Number of shares	\$'000	Number of shares	\$'000
Balance as at 1 July	396,497,145	120,336	396,497,145	120,336
Issue of shares, net of costs	90,857,876	2,483	-	-
Share based payment to Capital Drilling Ltd	19,142,125	230	-	-
Shares issued – non renounceable entitlement offer	163,123,980	1,911	-	-
Shares Issued – performance rights	1,000,000	-	-	-
Balance as of 31 December 2014 / 30 June 2014	670,621,126	124,960	396,497,145	120,336

(c) Movement in Unlisted Securities on issue

	Number of securities	\$'000	Number of securities	\$'000
Balance as at 1 July	10,988,347	727	16,160,451	727
Options issued during the year	5,000,000	-	3,105,396	-
Share appreciation rights issued	29,654,100	-	-	-
Performance rights issues issued	16,067,912	-	-	-
Performance rights vested	(1,000,000)	-	-	-
Options Cancelled / expired	(512,500)	-	(8,277,500)	-
Balance as of 31 December 2014 / 30 June 2014	60,197,859	727	10,988,347	727

(d) Movement in Listed Options on issue

	Number of options	\$'000	Number of options	\$'000
Balance as at 1 July	13,490,201	322	13,490,201	322
	-	-	-	-
Balance as of 31 December 2014 / 30 June 2014	13,490,201	322	13,490,201	322

IMX RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2014

Unlisted Securities

Security type	Share appreciation rights	Issued during the half-year	
		Performance rights	Performance rights
Grant date	30 Sept 14	30 Sept 14	1 Dec 14
Fair value at grant date (\$)	0.52 – 1 cents	2.7 cents	1.1 cents
Share price at grant date (\$)	2.7 cents	2.7 cents	1.1 cents
Exercise price (\$)	N/A	Nil	Nil
Expected volatility	N/A	N/A	N/A
Vesting Date	1 Jul 17	1 Jul 15 – 1 Jul 17	30 Sept 15

11. Discontinued Operations

On 18th June 2014, 51% owned subsidiary Termite Resources NL (“**Termite**”) was placed into voluntary administration. The loss of control results in the Group no longer consolidating the assets and liabilities of Termite. As this occurred in the prior financial year the comparative information in the Condensed Statement of Comprehensive Income have been represented.

12. Operating Segments

Segment Products and Locations

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. Following the closure of the Cairn Hill Mine (as disclosed in the 30 June 2014 Annual Report), the group is solely focussed on exploration and hence has only one operating segment.

In respect of the exploration operating segment, geographically the company’s primary focus is exploration in Tanzania.

13. Events Occurring after Balance Date

Subsequent to 31 December 2014 a total of 2,625,000 unlisted options have expired unexercised. There has been no other significant event that has occurred between 31 December 2014 and the date of this report that has significantly affected, or may significantly affect the operations of the economic entity, the results of these operations or the state of affairs of the entity in future periods.

**IMX RESOURCES LIMITED
DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of IMX Resources Limited (the "Directors"), I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* and:
 - (i) give a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity
 - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5) of the *Corporations Act 2001*.

On behalf of the Board



Derek Fisher
CHAIRMAN
PERTH, WA

16 March 2015



Independent auditor's review report to the members of IMX Resources Limited

Report on the financial report

We have reviewed the accompanying interim financial report of IMX Resources Limited (the company), which comprises the condensed consolidated statement of financial position as at 31 December 2014, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of IMX Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of IMX Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without modifying our conclusion expressed above, attention is drawn to Note 4 in the interim financial report which indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

KPMG

KPMG

Denise McComish
Partner

Perth

16 March 2014