

21 September 2015

## UPDATE ON LIQUIDATION OF TERMITE RESOURCES

IMX Resources Limited (**ASX: IXR**) ('**IMX**' or the '**Company**') provides the following update in relation to the liquidation of Termite Resources NL ('**Termite**').

Termite was wholly owned by an incorporated joint venture entity, itself a half-owned subsidiary of IMX. Termite undertook the operation of the Cairn Hill iron ore mine in South Australia. As a result of the sudden and steep downturn in iron ore prices in the second quarter of 2014, IMX announced on 19 June 2014 that the directors of Termite had appointed voluntary administrators to Termite. Subsequently, on 15 September 2014, creditors of Termite voted to place that company into liquidation.

The Company now advises that a letter of demand has been received from the liquidators of Termite, which provides notice of a potential claim against directors and officers of Termite, including current IMX CEO Phil Hoskins, as well as against the Company itself. The Company notes that no claim is made against Sichuan Taifeng, the other owner of the incorporated joint venture entity, nor is any claim made against the incorporated joint venture company, Outback Iron Pty Ltd ('**Outback**').

The basis of the claim is that Termite should not have repaid loans to Outback until the life of mine obligations under mining and logistics contracts were provisioned for. The claim ignores the fact that joint venture loans were repaid well before the appointment of administrators, when iron ore prices significantly exceeded costs of production and sale. At the time administrators were appointed, Termite had available to it cash reserves, stockpiled and unprocessed ore and the value of the tenement itself, to pay creditors. The claim is difficult to understand given the liquidators of Termite have previously accepted that Termite was not insolvent until or about the time at which voluntary administrators were appointed and do not seek to make any claim against the other joint venturer.

The quantum of the claim is put in the alternative as the amount of the unsatisfied liabilities to unsecured creditors at the date of administration (mostly made up of damages claims from long term logistics creditors for early termination of their contracts on appointment of the administrators) said to be estimated at \$75 million, alternatively about \$46 million plus interest, being the amount repaid by Termite to Outback. The Company's current belief is that such a claim has little merit.

The Termite directors and officers are expected to be insured against any claims against them, if ultimately successful, and appropriate notifications have been made to the Termite insurer. Legal costs incurred to date by directors and officers of Termite, have been reimbursed by insurers.

This is also the first time the Termite liquidators have asserted a claim would be made against the Company. The idea that a claim might also be made out against IMX itself is new and difficult to understand, as on presently known information, it does not appear that the Termite liquidators assert any claim against Outback, nor against the Company as a "holding company" of Termite.

The Company will discuss the claim with the Termite liquidators and intends to, if necessary, vigorously defend the claim.



**DEREK FISHER**

**Chairman**

For further information, please contact:

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

**Media**  
Michael Weir/Richard Glass – Citadel Magnus  
Tel: +61 8 6160 4903

**About IMX Resources Limited**

IMX Resources is an Australian minerals exploration company that holds a 5,800 km<sup>2</sup> tenement package at the Nachingwea Property in south-east Tanzania. The Nachingwea Property hosts the Chilalo Graphite Project, the Ntaka Hill Nickel Project and the Kishugu and Naujombo Gold Prospects. IMX's primary focus is on high-grade, high quality graphite and it is rapidly advancing development of the Chilalo Graphite Project. Chilalo is located approximately 220 km by road from the deep water commercial Mtwara Port, the majority of which is a sealed main road. IMX aims to become a respected supplier of high quality graphite for the clean technology economy.

To find out more, please visit [www.imxresources.com.au](http://www.imxresources.com.au).