

3 May 2016

FURTHER UPDATE ON GRAPHEX PROSPECTUS

IMX Resources Limited (**ASX: IXR**) ('**IMX**' or the '**Company**') advises that further to its announcement on 27 April 2016, it has been working with the Australian Securities and Investments Commission ('**ASIC**') to address certain concerns notified by ASIC in relation to the prospectus lodged by Graphex Mining Limited ('**Graphex**') on 4 April 2016 (the '**Prospectus**'). ASIC's concerns predominantly emanated from Information Sheet 214 on forward looking statements commonly made in the mining and resources industry relating to production targets, forecast financial information and discounted cash flow valuations that was released by ASIC on 12 April 2016.

Since receiving the notification, the Company has been actively engaged with ASIC following which the Company is confident that it can address ASIC's concerns via additional disclosure. As a result, the Company is currently preparing a replacement prospectus (the '**Replacement Prospectus**') that is expected to be available for ASIC's review this week. The Replacement Prospectus is expected to address ASIC's concerns, and the Company anticipates that the interim order will be lifted, allowing the initial public offering of Graphex shares to proceed.

In line with the Prospectus, the priority offer to IMX shareholders has closed and due to strong demand well in excess of the maximum raising of \$7 million, the general offer under the Prospectus will close almost immediately following the release of the Replacement Prospectus.

IMX and Graphex will inform the market of any changes required to the indicative timetable provided in the Prospectus however expect that any delay will be immaterial.



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