

I-Minerals Inc. Negotiates New Loan Agreement

written by Raj Shah | September 14, 2018

✘ September 13, 2018 ([Source](#)) – **I-Minerals Inc. (TSXV: IMA) (OTCQB: IMAHF) (the “Company”)** announces that it has negotiated a new loan agreement with a company controlled by its President Allan Ball (the “Lender”), pursuant to which up to an additional \$2.5 million U.S. will be advanced to the Company by the Lender in tranches, such advances to be considered secured loans accruing interest at the rate of 14% per annum calculated and paid semi-annually from the date of each advance, such interest also to be considered advances pursuant to the new loan agreement unless the Lender elects otherwise.

At the Lender’s election, it may direct that the Company pay the interest either in cash or in common shares of the Company; if interest is paid in shares, they will be issued at a deemed price per share equal to the greater of (i) the “Discounted Market Price” of the Company’s shares (as defined in TSX Venture Exchange – the “Exchange” – Policy 5.1) as of the date of the news release announcing the specific debt settlement; and (ii) the volume weighted average trading price (“VWAP”) of the Company’s shares over the 20 trading days prior to the date such interest becomes payable.

As additional consideration for such advances, the Company has agreed to issue to the Lender, subject to Exchange acceptance, that number of common shares of the Company equal to 6% of the amount of each advance divided by the “Market Price” (as defined in Exchange Policy 1.1 – the “Market Price”) of the Company’s shares as of the date of the advance, subject to the minimum price per share and the maximum number of shares provided for in

Exchange Policy 5.1, such shares to be considered “bonus shares” pursuant to the provisions of said Policy 5.1.

While any of the principal amount of the indebtedness under the new loan agreement remains outstanding, the Company will, if requested by the Lender, include an individual designated by the Lender as a nominee for director at the Company’s next annual general meeting subsequent to said request.

The loan agreement also provides that the Company will repay the principal amount of each advance, together with all accrued and unpaid interest thereon, on the earlier of:

(a) December 31, 2019; and

(b) in the event the Company receives the requisite financing for the capital expenditures to put its Bovill Kaolin Project into full commercial production, five business days following the closing of said financing.

About I-Minerals Inc.

I-Minerals is developing multiple deposits of high purity, high value halloysite, quartz, potassium feldspar and kaolin at its strategically located Helmer-Bovill property in north central Idaho. A 2016 Feasibility Study on the Bovill Kaolin Deposit led by led by GBM Engineers LLC, who were responsible for overall project management and the process plant and infrastructure design, including OPEX and CAPEX calculated an After Tax NPV of US\$249.8 million with a 25.8% After Tax IRR of 25.8%. Initial CAPEX was estimated at \$108.3 million with a 3.7 year After Tax payback. Other engineering services were provided by HDR Engineering, Inc. (all environmental components; hydrology / hydrogeology; road design); Tetra Tech, Inc. (tailings storage facility design); Mine Development Associates

(mine modelling; ore scheduling; mineral reserve estimation); and SRK Consulting (U.S.) Inc. (mineral resource estimation). The project has received mine and water permits from the State of Idaho.

I-Minerals Inc.

per: "*John Theobald*"

John Theobald,
President & CEO

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