



IMX Resources Limited
ABN 67 009 129 560
Level 2, Unit 18, 100 Railway Road
Subiaco WA 6008 Australia
PO Box 879
Subiaco WA 6904
T +61 8 9388 7877
F +61 8 9382 2399
E info@imxres.com.au
W www.imxresources.com.au

24 January 2011

Second Cairn Hill Ore Customer Contracted

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce a legally binding term sheet has been signed with a second customer for the sale of Cairn Hill Phase 1 ore.

After discussions with Sichuan Taifeng, which holds the life of mine sales contract for Cairn Hill Phase 1 iron – copper ore, it was decided to maintain the processing plant capacity at the processing plant at Bayuquan in Liaoning Province in NE China at the design capacity of 1.4-1.5mtpa rather than expand the capacity to 1.7mtpa to match the output from Cairn Hill if a second customer could be found to take the excess tonnage.

Sichuan Taifeng and Termite Resources N.L. (IMX 51%, Sichuan Taifeng 49%) have now signed a term sheet with Juhua Group (Hong Kong) Limited (Juhua), a wholly owned subsidiary of Juhua Group Corporation, a major diversified Chinese corporation. Under the contract Juhua will purchase 420,000 tonnes in calendar 2011 and then 240,000 tonnes per year for the next three years. The final sales contract is expected to be signed by the end of February 2011.

Juhua will process the Cairn Hill Phase 1 ore through its existing magnetic separation and flotation facilities in Zhejiang Province in eastern China.

Duncan McBain, Managing Director of IMX said “This is an excellent outcome for IMX and Sichuan Taifeng. It diversifies the customer base for Cairn Hill Phase 1 and is smart capital management on behalf of Sichuan Taifeng in respect of processing capacity. It is a win – win situation.”

“The offtake with Juhua is the culmination of several years of discussions and testing of the ore. Juhua’s involvement is very positive for the Cairn Hill project”, he said.

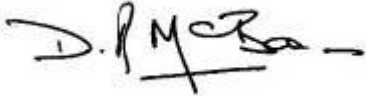
About Juhua Group Corporation

Juhua Group Corporation was founded in May 1958 and was transformed into an enterprise group in 1992. In June 1998, solely launched by Juhua Group, Zhejiang Juhua Co. Ltd. was listed on the Shanghai Stock Exchange.

The Juhua Group has more than 40 subsidiary companies with 15,000 staff members and over 100 major production units which manufacture more than 200 types of products, mainly comprising fluoro-chemicals, basic chemical raw materials, macromolecular materials, fertilizers, pesticides, pharmaceuticals, chemical mining, building materials, chemical engineering machinery, and power and energy supply. It has its own dedicated railways, thermal power plants, as well as its own utilities such as communications and water supply.

In 2009, its total sales revenue was RMB10.529 billion and was ranked 450th of the top Chinese enterprises.

The Juhua Group is headquartered in Hangzhou, Zhejiang Province, with its production base in Quzhou, Zhejiang Province.



DUNCAN MCBAIN
MANGING DIRECTOR

For further information, please contact:

Duncan McBain
Managing Director
Tel: +61 8 9388 7877
E: dmcbain@imxres.com.au

Investor Relations:

Lesley Johns
Precise Media
Tel: +61 412 583 577
E: lesleyjohns@optusnet.com.au

About IMX Resources Limited

IMX Resources Limited (ASX:IXR) – is headquartered in Perth, Western Australia, is listed on the Australian Stock Exchange (ASX) with a current market capitalisation of approximately \$190m.

IMX is an active diversified mining company with a mining project in South Australia, and exploration projects in South Australia, Tasmania, as well as Tanzania and Mozambique in East Africa, focusing on a range of commodities including iron-ore, nickel, gold, copper.

The company is disciplined in following a careful strategy to maximise shareholder value by discovering and developing ore bodies. IMX achieves this by participating in multiple, quality exploration projects in joint ventures with global mining companies, and by listing spin-off companies, to ensure programs with high potential are well-funded, while retaining a significant interest to provide exposure for IMX shareholders.

IMX owns 51% of the Cairn Hill project, 55 kilometres south-east of Coober Pedy, South Australia close to the Darwin - Adelaide railway. Phase 1 is a unique magnetite Fe – Cu – Au DSO project. The ore produces a premium coarse grained magnetite product, with a clean saleable Cu / Au concentrate. IMX has a Phase 1 life of mine sales offtake agreement with the Sichuan Taifeng Group, and a four year sales agreement with Juhua Group. A Phase 2 resource is expected around the end of Q1 2011 with the aim of an accelerated development program. Phase 2 is a high grade magnetite project where production of a saleable \pm 60% Fe intermediate concentrate using dry magnetic separation is planned.

IMX owns 100% of the iron ore rights on the Mt Woods tenements where besides the potential of Phase 3 magnetic anomalies outside ML6303, recent drilling has intersected magnetite to the south and west of Cairn Hill with target mineralisation of 320-550mt @ 25-35% Fe based on the drilling, ground gravity and aeromagnetics.

The immediate upside for Cairn Hill / Mt Woods remains the definition of further resources to support a long term 3-5mtpa iron ore operation.

IMX has a joint venture with OZ Minerals for the non-iron ore rights on its Mt Woods tenements. OZ Minerals has 51% of the joint venture and must spend \$20m over 5 years to retain this interest. OZ Minerals is targeting Prominent Hill style copper / gold mineralisation.

In Tanzania, IMX holds 100% of the Mibango nickel / copper / platinum project.

IMX spun off 70% of the Nachingwea Nickel - Copper project in Tanzania into a Continental Nickel Limited (TSXV:CNI) in August 2007. IMX currently holds 37.2% of Continental Nickel and retains a 25% interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 28.0% of Uranex (ASX:UNX), a spin-off from IMX, which is dedicated uranium company with assets in Australia and Tanzania.

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