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High Grade Magnetite Intersected at Cairn Hill Phase 2

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce that high grade massive magnetite was intersected in the initial three reverse circulation (RC) holes drilled at Cairn Hill Phase 2 (CHP2) in South Australia.

The holes were drilled immediately east of the current Cairn Hill Phase 1 mining in the CHP2 area where magnetite only mineralisation is present. An intense magnetic high that was interpreted to be a wide pod of magnetite mineralisation was targeted by the initial 241m of drilling (Figure 1). Analytical results confirm that between 9 and 22m of massive magnetite was intersected by the drilling.

Highlights include:-

Area	Hole	From (m)	To (m)	Width (m)	Fe (%)	Cu (%)	Au (ppm)	P (%)	S (%)	Al (%)	Si (%)
Phase 2	CHRC224	81	90	9	61.0	0.00	0.01	0.32	0.03	1.09	3.91
Phase 2	CHRC225	28	41	13	56.9	0.00	0.01	0.26	0.03	1.21	6.34
	<i>includes</i>	28	34	6	63.4	0.00	0.02	0.21	0.04	0.48	3.27
	<i>includes</i>	37	41	4	62.4	0.00	0.01	0.29	0.02	0.70	3.51
Phase 2	CHRC226	23	45	22	52.9	0.03	0.01	0.59	0.42	1.46	7.72
	<i>includes</i>	27	41	14	61.3	0.00	0.01	0.73	0.02	0.55	3.96

NB:- A 30% Fe cutoff was used to calculate intersections. All analytical results determined by XRF with the exception of Au and Cu which were analysed by Aqua Regia

The 7,000m RC resource drilling programme commenced at CHP2 in late 2010 and recently resumed. Two RC drill rigs have been contracted to complete the programme with one currently onsite, and a second delayed due to the recent flooding in Queensland. This second rig is expected to arrive in the next two weeks.

In addition to the RC resource programme, a diamond drilling programme is planned to obtain sufficient representative whole core samples for bulk dry magnetic separation testwork as part of the CHP2 metallurgical programme. The Phase 2 area is a low copper / sulphur magnetite with generally a slightly lower iron grade than the Phase 1 area that IMX is currently developing. Initial metallurgical testwork results in 2008 were very encouraging and confirmed it is possible to produce a 60% Fe intermediate magnetite concentrate through just dry magnetic separation or a premium quality 69% Fe magnetite concentrate through dry and wet magnetic separation with very low levels of impurities at an exceptionally coarse grain size of 0.5mm (ASX: 8 September 2008).

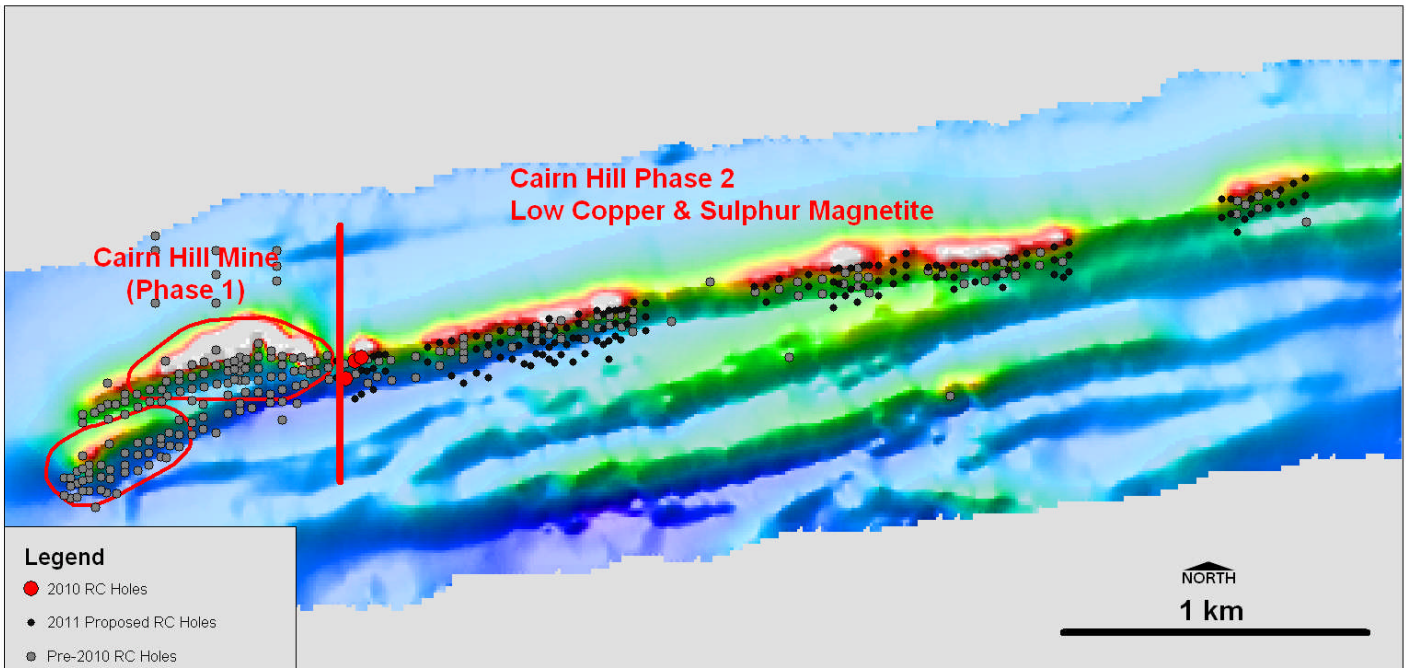


Figure 1 Cairn Hill Phase 1 and 2 drillhole locations

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Information in this public report relating to exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists, and who is a full-time employee of the Company. Bianca Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Bianca Manzi consents to the inclusion of the data in the form and context in which it appears.

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 \$200m.

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. Recently IMX and Sichuan Taifeng agreed to sell Phase 1 iron – copper ore in excess of the current processing plant capacity to Juhua Group on a four year contract. 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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