



28 January 2011

ASX Release

IMX Resources and Southern Gold Heads Of Agreement

IMX Resources Limited (ASX:IXR) and Southern Gold Limited (ASX:SAU) are pleased to announce the signing of a binding Heads of Agreement (HOA) to form a joint venture covering Southern Gold's EL6653 near Forbes in New South Wales. The prime target of IMX within this tenement is copper (Cu) and gold (Au) mineralisation within the prospective Lachlan Copper-Gold Corridor.

Located 30km south-southeast of Parkes, the project is centred on the historic Eurow-Vychan copper-gold mine (Figure 1). Historic production (1899 to 1903) indicates that approximately 50 tonnes of handpicked supergene ore was produced at an average grade of 14% Cu, 4.4 g/t Au and 81 g/t Ag.

Exploration diamond and RC drilling by Southern Gold in 2007 extended the known Eurow-Vychan massive sulphide mineralisation from 80m to 240m vertical depth. This drilling identified a three metre wide central high grade zone of massive sulphide mineralisation which returned assays locally up to 10% Cu and 6.9 g/t Au but averaging 1.6% Cu and 1.5 g/t Au. With a strike of at least 140m, the 'central' zone is surrounded by a wider mineralised envelope of semi-massive and vein breccia sulphides with grades of 0.8-1.2% Cu and 0.8-1.2 g/t Au (Figure 2).

This semi-massive sulphide mineralisation extends at least 400m from north to south (ASX-SAU 28 May 2007). The mineralisation remains open down dip and down plunge highlighting the potential for additional mineralisation immediately below the old workings which, with minimal drilling, has the potential of delineating a new Cu-Au resource.

The Eurow-Vychan massive sulphide mineralisation is spatially associated with a magnetic anomaly. There are several larger prospective magnetic features near the old mine that have not been drill-tested. IMX believes that if mineralised, these targets could add significantly to the local mineral potential.

In addition to copper-gold mineralisation, the licence is also prospective for 'sedex' style manganese mineralisation. The historic Cookamidgera manganese mine lies 7 km north of Eurow-Vychan in a manganese rich unit with at least 15km strike length of prospective stratigraphy.

Commenting on the transaction, Southern Gold Managing Director, Nanette Anderson said "Southern Gold welcomes this new association with established mining and exploration company IMX Resources. This HOA allows Southern Gold to continue to focus on developing the Cannon gold trend at its Bulong South project in WA, while maintaining its exposure to the significant potential of exploration success within this tenement."

On announcing the proposed Joint Venture, IMX Resources Managing Director, Duncan McBain said “The proposed Joint Venture is a good fit within IMX’s expansion philosophy of advanced exploration projects where we can see the potential for accelerated development, and sits within IMX’s commodity targets. We are excited about the prospectivity of the tenement and more broadly the Lachlan Fold Belt.”

Details

The two parties have entered a binding Heads of Agreement with the intention of progressing this to a formal Joint Venture Agreement subject to the an initial work programme to be conducted by IMX.

Prior to negotiating a joint venture IMX will spend a minimum of \$100,000, with at least half of this comprising drilling, prior to 11 May 2011, subject to the security of the tenure having been obtained by Southern Gold. Following this expenditure IMX has the right to elect to form a joint venture or withdraw.

On signing a joint venture agreement, IMX will spend an additional \$200,000 within 12 months to earn a 51% interest in the joint venture. Should IMX not spend the additional \$200,000 it will not earn an interest in the joint venture.

Once the 51% interest is earned by IMX, Southern Gold has the right to elect to fund its 49% interest; should it elect not to do so, IMX will have the right to sole fund an additional \$400,000 within the 12 months from the first anniversary of the signing of the joint venture agreement to obtain an 80% interest in the joint venture. Southern Gold’s interest would then be free carried through to the completion of a pre-feasibility study or \$8 million of cumulative expenditure, whichever occurs first.

Subsequent to the completion of a pre-feasibility study both parties will fund the joint venture pro rata.

If either party is diluted to less than a 10% interest, that interest will be converted into a 1% mine gate royalty if the measured and indicated resource is less than or equal to 500,000 ounces of gold equivalent, and 1.5% mine gate revenue if the measured and indicated resource is greater than 500,000 ounces of gold equivalent.

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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.

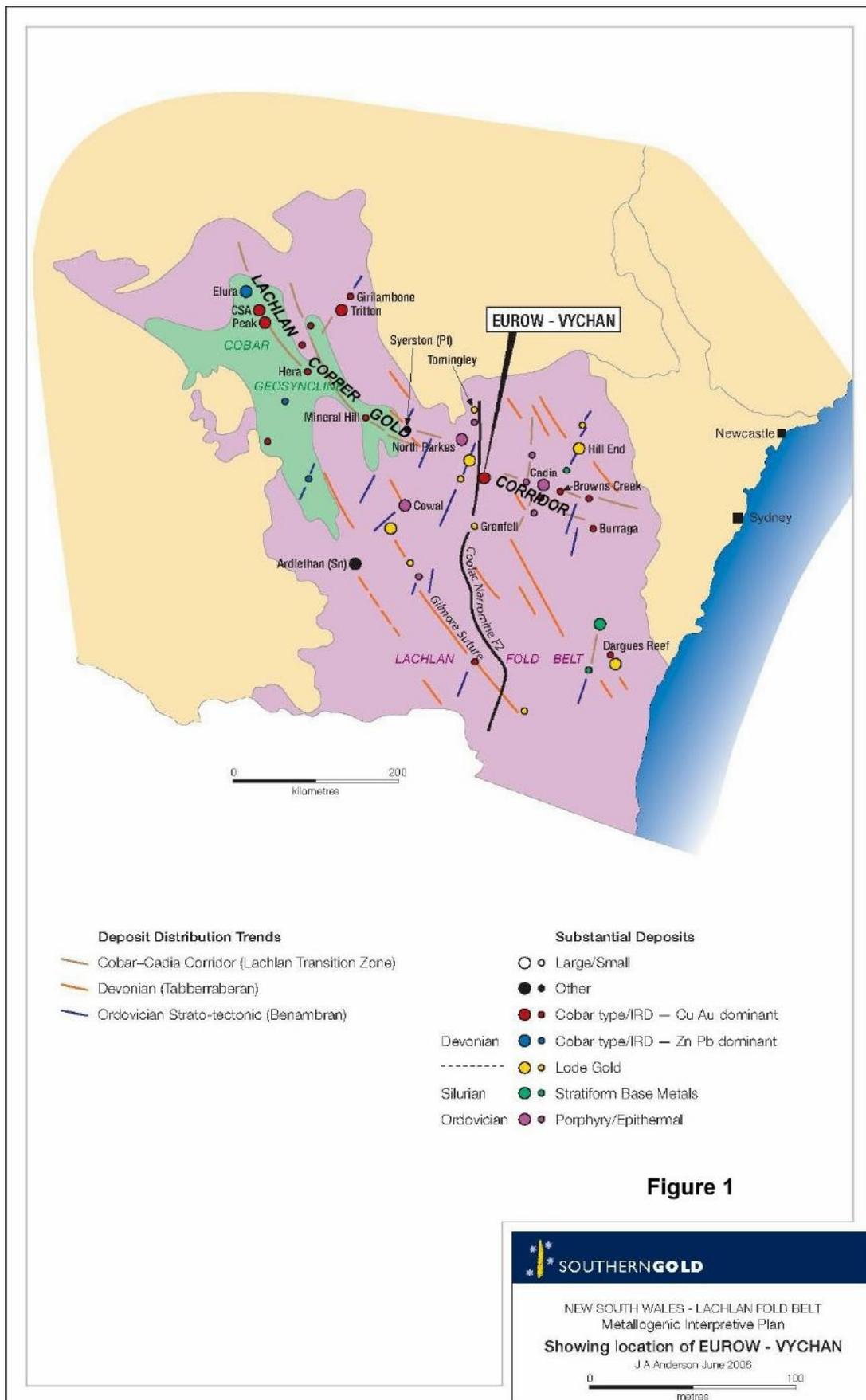


Figure 1: Lachlan Fold Belt and location of Eurow-Vychan project

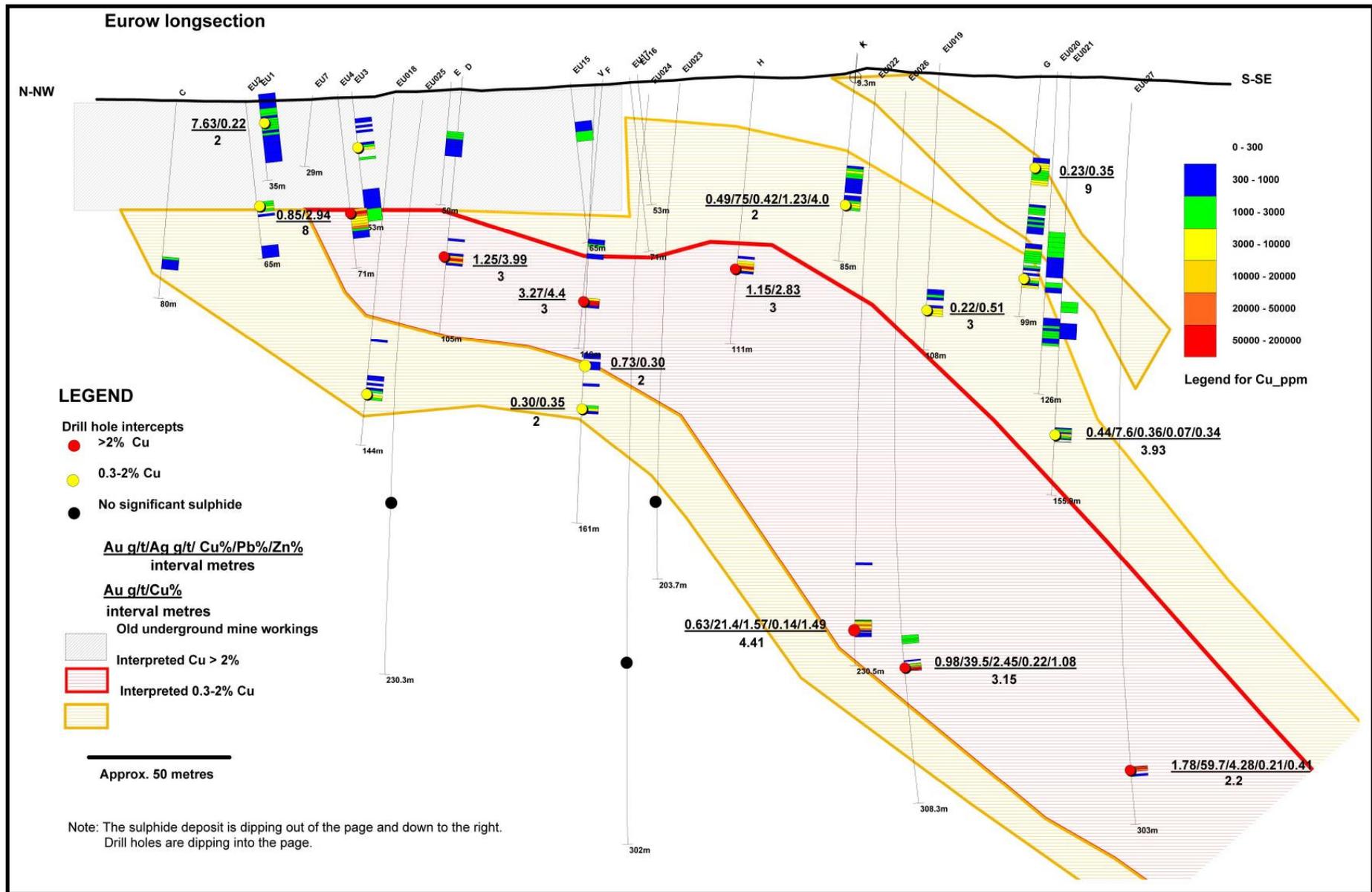


Figure 2: Eurow Long Section, EL6653, NSW.