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## **Snaefell Iron Ore Resource Drilling Continues To Return Wide Fe Intersections**

Iron ore producer, IMX Resources Limited (ASX:IXR), is pleased to announce that analytical results for the next eight RC drill holes completed at the Snaefell iron ore prospect in late 2010, have continued to confirm the width, grade and continuity of the target magnetite mineralisation.

Magnetite gneiss mineralisation was intersected immediately below cover sediments in the 'Core Area', with hole SFRC012 reporting a best intersection of **179.5m at 30.1% Fe**, and holes SFRC010 and SFRC011 returning **155.5m at 25.78% Fe** and **41.5m at 27.20% Fe** respectively. All three holes intersected significant widths of >30% Fe mineralisation (Table 1).

Four additional holes SFRC016 to SFRC019 were drilled to test the mineralisation in the eastern Snaefell area with results received for two (Figure 1). Both holes intersected wide intervals of 56 to 100m of magnetite gneiss mineralisation averaging between 27 and 29% Fe in holes SFRC016 and SFRC017. Results are awaited for the remaining two holes.

Snaefell is an iron ore prospect located 12km southwest of the IMX Cairn Hill magnetite-copper-gold mine, and forms part of the 100% IMX owned Mt Woods Iron Project in South Australia. The prospect is interpreted to have a strike length of more than 3km and a vertical depth extent of at least 250m.

In late 2010, a 5,000m RC resource drilling programme commenced at Snaefell. By year's end, 16 holes for a total of 3,542m had been drilled with the balance of the 5,000m programme expected to be completed in 2011. To date results have been received for 14 holes, 8 of which are contained in this release.

The RC programme was designed to define a JORC mineral resource at the Snaefell 'Core Area', where an exploration target tonnage of 70-100Mt grading 28-35% Fe was estimated over an 800m strike length in 2009. An additional 200-300Mt target of similar grade is interpreted to exist along strike to the east of the core area (ASX: November 11 2009).<sup>1</sup>

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<sup>1</sup> NB: Target tonnage estimates are conceptual only. These figures are not resource estimates as defined by the JORC code (2004) as insufficient exploration has been conducted yet to define a Mineral Resource.

The latest results, along with those reported in December (ASX: December 17 2010) confirm the width, grade and continuity of the target magnetite mineralisation and the exploration target tonnage mineralisation model used to plan the drilling. The mineralisation remains open at depth with at least 6 holes stopped in mineralisation at 230m downhole depth.

**Table 1: RC Drilling Results (>20% Fe)**

<b>Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Fe %</b>	<b>P %</b>	<b>Al %</b>	<b>Si %</b>	<b>S %</b>
<b>SFRC010</b>	44.5	200	155.5	25.78	0.11	4.25	21.23	0.01
<i>includes</i>	84	90	6.0	<b>34.62</b>	0.09	2.00	17.77	0.02
<i>includes</i>	158	174	16.0	<b>32.70</b>	0.16	2.00	19.71	0.00
<b>SFRC011</b>	44.5	86	41.5	27.20	0.07	4.07	20.07	0.04
<i>includes</i>	80	86	6.0	<b>35.36</b>	0.12	2.16	17.86	0.02
	126	130	4.0	<b>31.09</b>	0.17	3.00	21.09	0.03
	140	204	64.0	<b>30.19</b>	0.16	3.06	20.82	0.01
<b>SFRC012</b>	44.5	224	179.5	<b>30.10</b>	0.12	3.17	20.55	0.02
<i>includes</i>	164	202	38.0	<b>33.73</b>	0.17	2.34	19.65	0.00
<b>SFRC013</b>	<i>NSR - 110m hole to be deepened</i>							
<b>SFRC014*</b>	164	222	58.0	26.65	0.10	3.30	22.64	0.02
<i>includes</i>	164	196	32.0	29.48	0.10	3.06	21.18	0.02
	228	230	2.0	<b>31.45</b>	0.03	1.74	23.29	0.01
<b>SFRC015</b>	<i>NSR</i>							
<b>SFRC016</b>	54	118	64.0	29.62	0.14	2.97	20.95	0.01
	140	144	4.0	23.90	0.14	3.77	24.42	0.01
<b>SFRC017*</b>	48	148	100.0	27.76	0.15	4.10	19.97	0.04
<i>Includes</i>	72	104	32.0	<b>34.01</b>	0.18	4.36	16.04	0.04
	174	230	56.0	27.39	0.13	3.39	22.14	0.01
<b>SFRC018</b>	<i>Results pending</i>							
<b>SFRC019</b>	<i>Results pending</i>							

\* RC holes terminated at 230m depth, still in magnetite mineralisation. All interval widths are downhole depths. All analyses are XRF fusion. *NSR* – No Significant Result

Once the resource RC drilling has been completed and all laboratory results received, a JORC mineral resource will be prepared. A diamond drilling metallurgical programme is scheduled to commence in the first quarter of 2011 to confirm the preliminary metallurgical test results as the first phase of a planned pre-feasibility study.

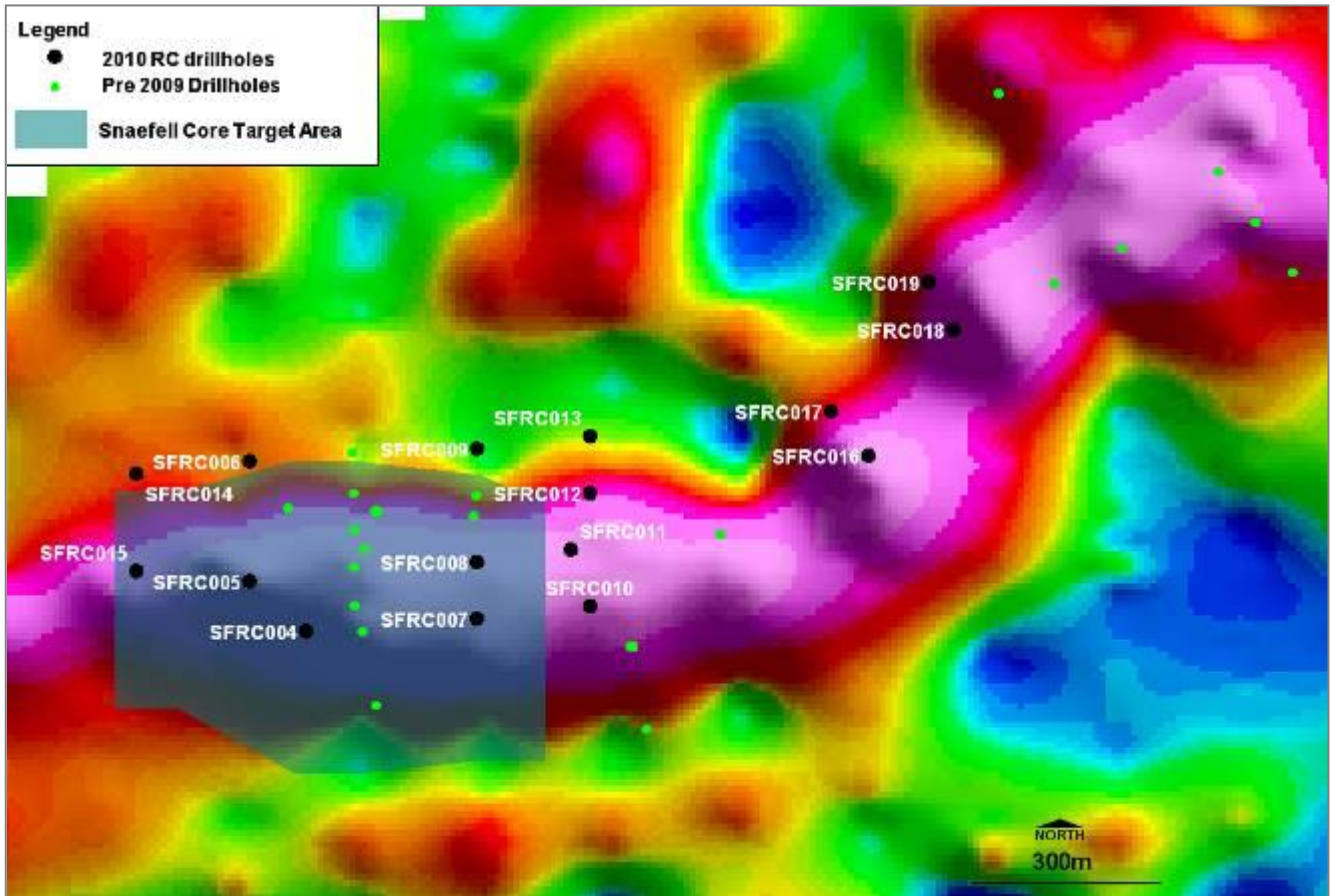


Figure 1 Drillhole location on TMI magnetics

Snaefell is located within the Kangaroo Dam exploration licence which is part of IMX's Mt Woods Project in South Australia. The licence is subject to a JV with OZ Minerals Ltd (ASX: April 13 2010) whereby IMX retains 100% of the iron ore rights and OZ Minerals is earning in on the non-iron ore rights.

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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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