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3 March 2011

## Significant Increase in Resources at Nachingwea JV Project, Tanzania

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to report that the updated resource estimate has significantly increased the size of the resources and contained nickel from the Ntaka Area of the Nachingwea JV Project in Tanzania.

At a US\$80/tonne Net Smelter Return (NSR) cut-off, Measured and Indicated Resources at Ntaka have increased to **3.683 million tonnes grading 1.52% Ni, 0.28% Cu and 0.05% Co**. This compares to the initial Measured and Indicated Resource of 1.13 million tonnes grading 2.43% Ni, 0.40% Cu and 0.06% Co (ASX Announcement 16 July 2009). Contained nickel has increased from 27,700 tonnes to 55,800 tonnes. In addition Inferred Resources, which are dominated by the new Sleeping Giant discovery, total **10.9 million tonnes grading 0.98% Ni and 0.22% Cu**. The total contained nickel in all resource categories now totals 161,800 tonnes.

Zone	Category	Tonnes (000's)	% Ni	% Cu	% Co	NSR (US\$/t)	Contained Ni (tonnes)
<b>NSR Cut-off: US\$17/tonne</b>							
Ntaka Hill	Measured	1,871	1.74	0.30	0.05	275	32,500
Ntaka Hill	Indicated	3,110	0.91	0.20	0.04	148	28,400
<b>Total</b>	<b>M + I</b>	<b>4,981</b>	<b>1.22</b>	<b>0.24</b>	<b>0.04</b>	<b>196</b>	<b>60,900</b>
Ntaka Hill	Inferred	1,860	0.68	0.15	0.03	110	13,000
Sleeping Giant	Inferred	15,400	0.77	0.17	0.02	120	119,000
<b>Total</b>	<b>Inferred</b>	<b>17,260</b>	<b>0.76</b>	<b>0.17</b>	<b>0.02</b>	<b>120</b>	<b>131,000</b>
<b>NSR Cut-off: US\$40/tonne</b>							
Ntaka Hill	Measured	1,862	1.74	0.31	0.05	276	32,500
Ntaka Hill	Indicated	3,102	0.92	0.20	0.04	149	28,400
<b>Total</b>	<b>M + I</b>	<b>4,964</b>	<b>1.23</b>	<b>0.24</b>	<b>0.04</b>	<b>196</b>	<b>60,800</b>
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Ntaka Hill	Measured	1,575	1.99	0.34	0.05	315	31,400
Ntaka Hill	Indicated	2,108	1.16	0.24	0.05	188	24,500
<b>Total</b>	<b>M + I</b>	<b>3,683</b>	<b>1.52</b>	<b>0.28</b>	<b>0.05</b>	<b>242</b>	<b>55,800</b>
Ntaka Hill	Inferred	1,110	0.90	0.18	0.03	140	10,000
Sleeping Giant	Inferred	9,790	0.99	0.22	0.02	160	96,000
<b>Total</b>	<b>Inferred</b>	<b>10,900</b>	<b>0.98</b>	<b>0.22</b>	<b>0.02</b>	<b>160</b>	<b>106,000</b>

Note: NSR values derived from grade were determined using average long-term nickel, copper and cobalt prices of US\$10.00/lb, US\$3.50/lb, and US\$20.00/lb, respectively; preliminary metal recoveries estimated at 87% for nickel, 81% for copper and 80% for cobalt, and allowances for transportation of concentrate and standard industry treatment charges for smelting and refining.

At a lower cut-off of US\$17/tonne NSR the Measured and Indicated Resources have increased to 4.981 million tonnes grading 1.22% Ni, 0.24% Cu and 0.04% Co, with additional Inferred Resources totalling 17.26 million tonnes grading 0.76% Ni and 0.17% Cu. The total contained nickel in all resource categories now totals 191,900 tonnes.

The mineral characterisation work on Ntaka Hill and Sleeping Giant indicates favourable metallurgy with indications of conventional grinding characteristics, high nickel recoveries by conventional flotation and a high grade concentrate.

A scoping study to examine the various production options will be conducted in 2011, along with the commencement of environmental baseline studies which will be required for a development application.

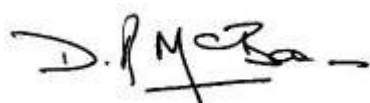
Further step-out drilling is planned for Sleeping Giant, which is open in all directions. The additional drilling in late 2010 highlighted the potential of Sleeping Giant to contain not only large tonnage moderate grade mineralisation but also high grade mineralisation of a more massive high grade nature similar to the 2.63m @ 13.63% Ni, 2.17% Cu and 0.21% Co within a wider interval of 23.3m @ 2.58% Ni and 0.41% Cu discovered in NAD10-220 (ASX Announcement 14 December 2010).

Duncan McBain, Managing Director of IMX said "The updated resource for the Ntaka area of our Nachingwea JV is a major step forward in the life of the project. We see further upside for Sleeping Giant and with the very favourable location of the project, only 200km from a deep water port, it bodes well for an early development."

A more detailed discussion of results can be viewed on the CNI release to the TSXV attached below.

#### **Nachingwea Holding Structure**

IMX's interest in the Nachingwea Ni-Cu Project is held through a direct 25% interest in the Tanzanian joint venture company, Ngwena Limited, and indirectly through a 37.2% interest in CNI. IMX funds its joint venture interest on a pro rata basis.



**DUNCAN MCBAIN**  
**MANAGING DIRECTOR**

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## 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 \$175m.

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. 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 27.3% of Uranex (ASX:UNX), a spin-off from IMX, which is dedicated uranium company with assets in Australia and Tanzania.

Visit: [www.imxresources.com.au](http://www.imxresources.com.au)

## **Press Release**

### **Continental Nickel Reports a Major Increase in Mineral Resources, Including the First Mineral Resource Estimate for the Newly Discovered Sleeping Giant Nickel-Copper Sulphide Deposit, on its 75% Owned Nachingwea Project in Tanzania**

Toronto, Ontario (March 2, 2011): Continental Nickel Limited (TSXV: CNI) is pleased to report that Measured and Indicated Mineral Resources at Ntaka Hill, using a US\$17/tonne Net Smelter Return (“NSR”) cut-off, have increased to 4,981,000 tonnes grading 1.22% nickel and 0.24% copper, with additional Inferred Mineral Resources totalling 1,860,000 tonnes grading 0.68% nickel and 0.15% copper. At the new Sleeping Giant discovery, Inferred Mineral Resources calculated at a US\$17/tonne NSR cut-off total 15,400,000 tonnes grading 0.77% nickel and 0.17% copper. At a US\$80/tonne NSR cut-off, Measured and Indicated Mineral Resources total 3,683,000 tonnes grading 1.52% nickel and 0.28% copper and Inferred Mineral Resources, dominated by the Sleeping Giant deposit, total 10,900,000 tonnes grading 0.98% nickel and 0.22% copper.

The NI 43-101 Mineral Resource estimate was completed by Roscoe Postle Associates Inc. (“RPA”) of Toronto, Ontario and incorporates additional drilling completed, after the 2009 Mineral Resource estimate (Press Release July 15, 2009), on seven separate sulphide deposits, including the new Sleeping Giant deposit discovered in 2010. The estimate is based on data obtained from 230 diamond drill holes totalling 35,361 metres completed to explore for and delineate the various sulphide zones at nominal 25 to 100 metre drill section spacing.

#### **Highlights:**

- Measured and Indicated Mineral Resources (US\$17/tonne NSR cut-off) at Ntaka Hill have increased by 61% by tonnage since the last estimate and now contain 60,900 tonnes of Nickel.
- Inferred Mineral Resources (US\$17/tonne NSR cut-off), dominated by the newly discovered Sleeping Giant deposit, total 17.26 million tonnes with 131,000 tonnes of contained nickel.
- Mineral characterization work (press release February 9, 2011) has confirmed high recoveries of nickel are also possible from mineralization at the Sleeping Giant deposit using conventional mineral processing.
- The Sleeping Giant deposit remains open in all directions and additional “step out” drilling to expand the deposit is a priority in 2011.
- A scoping study to assess the economic viability of potential production options is also planned for 2011.

Craig MacDougall, President & CEO of Continental Nickel Limited, commented *“this is an outstanding achievement by the exploration team which has not only significantly upgraded the Mineral Resources at Ntaka Hill, but has also advanced the new Sleeping Giant deposit from discovery to an inferred Mineral Resource in just 6 months. This new discovery, which has demonstrated drill intersections of significant grade over width, including locally high grade intercepts, as well as potentially high nickel recoveries, remains open in all directions and has the potential to develop into a major new nickel sulphide deposit. These results continue to justify our ongoing commitment to exploration. Further “step out” drilling to define the extent of the Sleeping Giant deposit will be a primary objective in 2011, along with the commencement of a scoping study. The project’s location, within 200kms of a deep water port in a mining friendly jurisdiction such as Tanzania, is an important positive factor in future economic and feasibility studies.”*

Mineral Resources were calculated from a geostatistical block model using GEMS software and reported at various NSR cut-off values per tonne, constrained by preliminary pit shells constructed by Whittle software. Only resources falling within the pit shells are reported as Mineral Resources. A minimum NSR cut-off of US\$17/tonne was utilized to design the preliminary pit shells. Mineral Resources calculated at US\$17/tonne, S\$40/tonne and US\$80/tonne NSR cut-offs are provided in Table I below.

**Table I: Mineral Resources calculated at US\$17, US\$40 and US\$80 /tonne NSR cut-offs for the Ntaka Hill and Sleeping Giant deposits (Note: Ntaka Hill is comprised of the G, H, J, L, M and NAD013 sulphide zones).**

Zone	Category	Tonnes (000's)	% Ni	% Cu	% Co	NSR (US\$/t)	Contained Ni (tonnes)
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## Notes on Mineral Resources:

1. Mineral Resources were prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) definition standards regarding Mineral Resources and Mineral Reserves.
2. Assays of drill core were completed at ALS Minerals of Vancouver, BC and included a comprehensive Quality Assurance / Quality Control (“QA/QC”) program. All aspects of the core sampling, assay procedures and QA/QC program have been reviewed by RPA and were judged to be of industry standard and suitable for use in the estimation of Mineral Resources. RPA also completed a data verification exercise including independent core sampling and assaying with satisfactory results.
3. Resource models were prepared based on drill section interpretation using a nominal 0.25% nickel grade cut-off. 3D solids were constructed by CNI geologists using GEMS software, then reviewed and revised as necessary by RPA.
4. The estimation employed statistical analysis and variography of nickel, copper and cobalt values with construction of block models by zone using GEMS software. Block cell size was 2.5 x 5 x 5 metres.
5. Grade interpolation to assign grade values to cells used Inverse Distance squared (“ID<sup>2</sup>”) methods. Grades were also determined for Pt, Pd and Au but are not reported here as, on a combined basis, they fall below 1.0 gram/tonne.
6. A total of 3,529 bulk density determinations on core using the immersion method were used for the estimate, with densities assigned where data were not available, based on an analysis of the correlation between specific gravity and sulphur.
7. Mineral Resources are reported at NSR cut-off values of US\$17/t, US\$40/t and US\$80/t and are based on open pit mining.
8. NSR values derived from grade were determined using average long-term nickel, copper and cobalt prices of US\$10.00/lb, US\$3.50/lb, and US\$20.00/lb, respectively; preliminary metal recoveries estimated at 87% for nickel, 81% for copper and 80% for cobalt, and allowances for transportation of concentrate and standard industry treatment charges for smelting and refining.
9. No minimum mining width was used.
10. Resource classification involved a review of geological and grade continuity and was based on drill hole spacing.
11. Preliminary pits used to constrain the Mineral Resources reported were constructed using Whittle software based on slope walls of 45 degrees, 5 metre bench heights, and production costs of US\$2.50/tonne mined, US\$12.00/tonne processed and US\$5.00/tonne general and administration costs.
12. Totals may differ due to rounding.
13. The Company is not aware of any environmental, permitting, legal, title, taxation, socio-political or marketing issues that are material to the statement of the Mineral Resources.
14. The Mineral Resource Estimate is effective March, 2011.
15. A copy of the Mineral Resource Estimation report completed by RPA will be posted on SEDAR and the company’s web site within 45 days of this release.

## Qualified Persons / Quality Control

The Mineral Resource Estimate was prepared by Roscoe Postle Associates Inc. of Toronto, Ontario under the supervision of Chester Moore, P. Eng., Principal Geologist. Mr. Moore is an independent qualified person as defined by National Instrument 43-101.

The quality control, technical information and all aspects of the exploration program were supervised by Patricia Tirschmann, P.Geo., Vice President, Exploration for CNI. The information in this release was prepared under the direction of Craig MacDougall, P. Geo., President and Chief Executive Officer for Continental Nickel Limited. Both Ms. Tirschmann and Mr. MacDougall are qualified persons as defined by National Instrument 43-101.

### **About Continental Nickel**

Continental Nickel Limited is focused on the exploration, discovery and development of nickel sulphide deposits in geologically prospective, but under-explored regions globally. The Company's key asset is its 75% interest in the Nachingwea project in Tanzania, where NI 43-101 compliant Mineral Resources (Measured and Indicated) have defined 60,900 tonnes of contained nickel, and an additional 131,000 tonnes of contained nickel in Inferred Mineral Resources. The project is a 75:25 Joint Venture between the Company and IMX Resources Limited ("IMX") of Australia.

The Company also has an option joint venture on the St. Stephen project in New Brunswick, Canada where it has discovered new Ni-Cu sulphide zones from the 2010 diamond drill program.

Continental Nickel Limited has 39,004,708 shares issued and outstanding (46,211,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with currently over C\$9.0 million in the treasury.

On behalf of

### **Continental Nickel Limited**

*"Craig MacDougall"*

President & Chief Executive Officer

*"John Nitschke"*

Chairman

### **For further information please contact:**

#### **Continental Nickel Limited**

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CAUTIONARY STATEMENT: The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact included in this release including, without limitation, statements regarding potential mineralization, potential or estimated metal recoveries, resources and reserves, exploration results, future plans and objectives of Continental Nickel Limited, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Continental Nickel Limited's expectations are the risks detailed herein and from time to time in the filings made by Continental Nickel Limited with securities regulators.

Information in this announcement relating to the estimation of Mineral Resources is based on data verified and estimation methodologies supervised by Mr. Chester Moore who is a Principal Geologist with Roscoe Postle Associates Inc. of Toronto Ontario, Canada. Information relating to exploration results and data used in the Mineral Resource estimate was gathered and compiled under the supervision of Ms. Patricia Tirschmann who holds the position of Vice President, Exploration and is a full time employee of Continental Nickel Limited. Mr. Moore is a registered member of the Association of Professional Engineers of Ontario. Ms. Tirschmann is a registered member of the Association of Professional Geoscientists of Ontario. Each has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Moore and Ms. Tirschmann both consent to the inclusion of the data in the form and context in which it appears.