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Nachingwea Ni-Cu JV Drilling Contract Awarded

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to advise that drilling contracts have been awarded, and mobilisation of field staff has commenced for the 2011 field season at the Nachingwea Ni-Cu sulphide JV project in Tanzania. The project is a 25:75 joint venture between IMX and Continental Nickel Limited (TSXV:CNI) of Canada.

The JV has secured the services of Tanzanian-based drilling contractor Tandrill Limited (Tandrill), to supply two drill rigs to carry out 15,000 metres of diamond drilling. Commencing in early June, the drilling program will test for extensions to the Sleeping Giant deposit which remains open in all directions, and will also test for similar deposits along the western side of the Ntaka Intrusion including follow-up of 2008 drill hole NAD08-171, which intersected disseminated nickel sulphide mineralisation at the end of hole and returned 0.63% Ni and 0.12% Cu over 4 metres (ASX: 29 January 2009).

The drilling will initially focus on testing the shallow, up-plunge northern extent of the Sleeping Giant zone, and western down dip extensions of the high grade mineralisation intersected in 2010 (NAD10-220: 2.58% Ni and 0.41% Cu over 23.3 metres, ASX release 14 December 2010; NAD10-226: 2.28% Ni and 0.57% Cu over 17.25 metres, ASX release 25 January 2011).

A full 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.

A handwritten signature in black ink, appearing to read "D. McBain".

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 Q2 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

Press Release

Continental Nickel Mobilises for the Next Round of Drilling at the Nachingwea Nickel Sulphide Project in Tanzania

Toronto, Ontario (May 16, 2011): Continental Nickel Limited (TSXV: CNI) ("Company") is pleased to advise that it is mobilising to commence the next round of drilling on the Sleeping Giant deposit at its 75% owned Nachingwea nickel sulphide project in Tanzania. The Company has secured the services of Tanzanian-based drilling contractor, Tandrill Limited ("Tandrill"), to supply two drill rigs to carry out 15,000 metres of diamond drilling commencing in early June.

This drilling program will test for extensions to the Sleeping Giant deposit which remains open in all directions. Drilling will initially concentrate on testing the shallow, up-plunge northern extent of the zone and western down dip extensions of the high grade mineralization intersected in 2010 (NAD10-220: 2.58% nickel and 0.41% copper over 23.3 metres, Press Release December 13, 2010; NAD10-226: 2.28% nickel and 0.57% copper over 17.25 metres, Press Release January 24, 2011). The drilling will also test for similar deposits along the western side of the Ntaka Intrusion including follow-up of the 2008 drill hole, NAD08-171, which intersected disseminated nickel sulphide mineralization at the end of hole which graded 0.63% Ni and 0.12% Cu over 4 metres (January 28, 2009 Press Release).

A drill plan and composite longitudinal section for the Sleeping Giant zone may be viewed using the link provided with this release.

John Nitschke, Executive Chairman and Acting Chief Executive Officer of the Company, commented "We look forward to the re-start of drilling at the Sleeping Giant Zone which will allow us to define the full extent of this new and exciting sulphide zone. This, together with continuing our exploration efforts on the Nachingwea land package and the commencement of studies to assess the viability of the already defined Resources, are three of the key things the Company needs to achieve this year. We are very pleased to secure the services of Tandrill Limited in this currently tight exploration services market. Tandrill has provided safe, reliable and high quality drilling services to the Company at Ntaka Hill since 2007."

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 exploration joint venture between the Company and IMX Resources Limited ("IMX") of Australia.

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

Continental Nickel Limited has 39,126,508 shares issued and outstanding (47,051,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with currently C\$10.0 million in the treasury as at December 31, 2010.

On behalf of

Continental Nickel Limited

“John Nitschke”

Executive Chairman and Acting Chief Executive Officer

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