



IMX Resources Limited  
ABN 67 009 129 560  
Level 2, Unit 18, 100 Railway Road  
Subiaco WA 6008 Australia  
PO Box 879  
Subiaco WA 6904  
T +61 8 9388 7877  
F +61 8 9382 2399  
E [info@imxres.com.au](mailto:info@imxres.com.au)  
W [www.imxresources.com.au](http://www.imxresources.com.au)

**5 August 2011**

## **Additional Sales of Cairn Hill Ore to New Customers**

Iron ore producer and explorer, IMX Resources Limited (ASX:IXR), on behalf of Termite Resources N.L. (a company owned by Outback Iron Pty Ltd which in turn is owned by IMX as to 51% and Taifeng Yuanchuang as to 49%) advises that in addition to the previously announced sale of four shipments (see announcements of 7 & 18 July), of approximately 75,000 tonnes each, an additional two shipments have been contracted for delivery in the next two months.

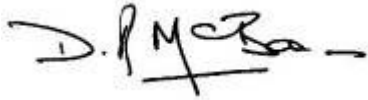
These sales, together with an anticipated additional 6 cargoes over the next 4 months, will be sold as trial shipments with the anticipation that one of these customers will then enter into a long term supply contract, thereby diversifying the risk of a single customer. These additional trial shipments have become available as a consequence of Taifeng informing IMX that the commissioning of Sichuan Taifeng's processing plant at Bayuguan in China has been temporarily suspended whilst modifications are being effected to some of the circuits. IMX is advised by Taifeng that commercial production from that processing plant is now anticipated to recommence later this quarter, thus enabling a reduction of Taifeng's existing inventory of stockpiled ore. Taifeng has advised that, on this basis, it expects to be able to resume the receipt of shipments in China of Cairn Hill ore from early December 2011. Termite Resources has received payment for all due invoices issued under the various sales contracts.

The 6 shipments referred to in the first paragraph (i.e. the 4 referred to in the July announcements and the 2 additional sales) have been sold as trial cargoes at prices averaging approximately US\$100 per tonne FOB. It is anticipated that the 6 additional cargoes are expected to be sold for similar prices. This price is approximately 30% per tonne lower than pricing under Termite's long term contract with Taifeng.

Duncan McBain, Managing Director of IMX said "While we are disappointed about this development, the benefit has been to allow the introduction of other customers to Cairn Hill's iron ore. The development of long term relationships takes time and the project will benefit from a more diversified customer base."

The Cairn Hill mine has now ramped up to full production of approximately 140,000 tonnes per month being produced and shipped. Cash costs FOB, including royalties and administration, are now running at around \$75 per tonne and additional project optimisation is expected to reduce costs further.

Planning for the development of Cairn Hill Phase 2 continues with the finalisation of the design and procurement of the dry magnetic separation plant. Preliminary results of the metallurgical test work are being incorporated into the optimisation of the plant design. Those preliminary results have confirmed earlier test work showing that the iron grade of the insitu ore can be upgraded by more than 10% into a saleable intermediate concentrate of 58% - 60% Fe, that will be sold to either processors or end users.



**DUNCAN MCBAIN**  
**MANGING DIRECTOR**

For further information, please contact:

Duncan McBain  
Managing Director  
Tel: +61 8 9388 7877  
E: [dmcbain@imxres.com.au](mailto:dmcbain@imxres.com.au)

**Investor Relations:**  
Lesley Johns  
Precise Media  
Tel: +61 412 583 577  
E: [lesleyjohns@optusnet.com.au](mailto:lesleyjohns@optusnet.com.au)

## **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 \$130m.

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 37.0% of Continental Nickel and retains a 25% interest in the Nachingwea Nickel - Copper project through a joint venture company structure. The Measured and Indicated Resources at Ntaka is 3.683Mt at 1.52% Ni, 0.28% Cu and 0.05% Co (at a US\$80/tonne NSR cut-off). In addition Inferred Resources, which are dominated by the new Sleeping Giant discovery, total 10.9Mt at 0.98% Ni and 0.22% Cu. The contained nickel in all resource categories totals 161,800 tonnes.

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

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