

7 September 2011

Dear Shareholders,

## **Shareholder update**

As IMX's Chairman, I take this opportunity of updating our shareholders on a number of developments at IMX Resources Limited (IMX).

The Company recently announced the appointment of Andrew Steers as Acting CEO following the resignation of Managing Director, Duncan McBain, after five and a half years service. Under Duncan's guidance and leadership IMX has grown from a multi-commodity explorer to an iron ore and copper producer, with a renewed focus towards exploration and development for commodities associated with steel and the steel making process. Duncan has decided to seek new challenges.

International executive recruitment firm, Ferris Management, has been engaged to assist the Board in the selection and appointment of a new Managing Director. In the interim the Non-Executive Directors are supporting Andrew and the rest of the Executive team in ensuring the Company maintains it's operational and exploration momentum.

IMX has announced the proposed distribution of the company's shares in Uranex NL, to you, our shareholders. The in specie distribution currently equates to an approximate seven cent dividend and will be subject to shareholder approval and a favorable tax ruling from the ATO. Whilst our progress on this distribution will be largely dependent upon a quick response from the ATO, we are working towards finalising the distribution before the end of the year.

This is a key step towards focusing the Company in the iron ore and steel related commodity sector, whilst still allowing our shareholders to participate in the success of Uranex. Clearly the market saw this as a positive step with the share price increasing by 7.5% on the announcement. The Board believes in the future of Uranex thus the reason for distributing the shares rather than embarking on a trade sale.

Our ongoing joint venture operations at Cairn Hill are on target with Phase 1 producing at its name plate capacity of 1.7mtpa. The delay in the commissioning of the process plant in Bayuquan has afforded the joint venture the opportunity to ship to a number of alternate customers which we hope will ultimately result in diversifying our customer base. A significant milestone will be achieved in mid October when we will ship our one millionth tonne of Cairn Hill ore – a great accomplishment in only 11 months.

Our resource pipeline is on track in South Australia with the planned development of the Cairn Hill Phase 2 resource on schedule. The joint venture team is continuing to finalise the important logistics chain that will allow additional shipments from Phase 2 to commence with the aim of having production commence in the first half of 2012.

In addition, the maiden mineral resource estimate for the core area at Snaefell is expected by the end of the current quarter. Drilling has recommenced with the intent to grow the initial resource with a 30 hole, 6,000 metre program already underway.

IMX continues to hold a significant 37% investment in Continental Nickel Limited as well as its 25% direct share in the Nachingwea Ni-Cu Joint Venture. This asset has continued to grow in strength and shows true potential in advancing toward a significant deposit and operation. The Continental board was recently bolstered with the addition of IMX non-executive director, Tony Haggarty and with the commencement of new President and CEO, David Massola. IMX's support of Continental Nickel and the Nachingwea Project will continue and we are anticipating more exciting news from this project in the coming months.

The Mt Woods Joint Venture with OZ Minerals remains on track with exploration activities continuing. Both IMX and OZ Minerals remain committed to aggressively explore our Mt Woods exploration leases for their copper/gold potential and will continue to advance the already identified targets.

## Our 2011 Significant Milestones

- 1,000,000t ore mined to end July 2011 at Cairn Hill
- 800,000t of ore shipped to China through Port Adelaide, August, 2011 – providing turnover for the Company of A\$101 million
- Although start up costs were higher than originally anticipated, due to a slower build up – these have now reduced to steady state levels of approximately A\$73 per tonne FOB Port Adelaide
- A 139% increase to the Cairn Hill Phase 2 resource – 8.37mt @ 46.7% Fe\*
- Snaefell (IMX 100%) initial resource estimate expected by the end of Q3
- Nachingwea Ni-Cu Project advancing towards production with key consultant and technical study team appointments

*\* Combined classified mineral estimate comprises ~3.8Mt @ 47.8%Fe indicated & ~4.6Mt @ 45.8%Fe inferred mineralisation at a 35%Fe cutoff using JORC (2004) guidelines.*

IMX is equally proud of the tangible social benefits the Cairn Hill mining operation has brought to Coober Pedy. IMX and the Joint Venture sponsor a wide range of community events and have recently purchased new medical equipment for the hospital. The Joint Venture remains committed to increasing its local employment and to work with and support the local work-ready training program for indigenous Australians. A Coober Pedy Living Allowance has been established to encourage our workforce to reside locally.

## The Future

IMX has the ambition to become a multi mine owner, whilst not forgetting our strong roots in exploration. Cairn Hill and Mt Woods will provide the Group with a growth profile for the expansion of the core iron ore business. Our joint ventures and exploration will provide further opportunities for growth in copper, gold and nickel.

IMX is also at a stage where near term production opportunities for joint ventures and acquisitions in steel making raw materials are actively being sought and evaluated.

With a strong cash position and supportive partners IMX is well positioned to provide strong growth to you, our shareholders. Our employees continue to strive to create the greatest possible shareholder value through the development and expansion of our existing operation, the development of near mine opportunities and through continued regional exploration.

A great deal has happened in the last 12 months, and it is only when one reflects on the individual achievements does one realise how much progress has been achieved by the Board, Executive team and all employees of the greater Group.

I sincerely thank you for your continued support. The Board and I, as your Chairman, are confident that IMX Resources will deliver strong results in the following year and thereafter.

Yours sincerely,



Johann Jacobs  
Chairman