

14 September 2011

## **New Drilling Confirms High Grade Core Zone at Sleeping Giant, Nachingwea Ni-Cu JV, Tanzania**

IMX Resources Limited (ASX:IXR) is pleased to announce that initial 2011 diamond drilling results have confirmed the presence of a high grade core zone at the Sleeping Giant deposit at the Nachingwea Ni-Cu Joint Venture project in southern Tanzania. The project is a 25:75 Joint Venture between IMX Resources Limited ('IMX') and Continental Nickel Limited ('CNI') of Canada.

Drilling highlights include:

### **Sleeping Giant**

- **2.03% Ni, and 0.42% Cu over 31.5m from a wider interval grading 47m at 1.62% Ni and 0.36% Cu from 309m in hole NAD11-234**
- **9.05m at 0.63% Ni and 0.01% Cu from 354.95m in hole NAD11-228**
- **14.2m at 0.73% Ni and 0.14% Cu from 264.2m in NAD11-229**

### **H Zone**

- **2.85m at 1.57% Ni and 0.27% Cu from 259.1 in NAD08-171 EXT**

Drilling in late 2010 highlighted the potential of Sleeping Giant to contain not only large tonnage moderate grade mineralisation, but also a higher grade core zone of a similar nature to the 23.3m at 2.58% Ni and 0.41% Cu discovered in NAD10-220 (ASX release of 14 December 2010). The new intersection of disseminated to blebby sulphides and partially remobilised sulphide stringers in NAD11-234 confirms this interpretation with **31.5m at 2.03% Ni, and 0.42% Cu returned from a wider interval of 47m at 1.62% Ni and 0.36% Cu from 309m**. The new higher grade core zone can be traced over a 500m strike length from hole NAD10-226 in the north to NAD11-238 in the south (Figure 1). In addition, new intersections of disseminated sulphide mineralisation have been discovered above the Sleeping Giant Zone in areas currently designated waste in the mineral resource pit shell. The Sleeping Giant disseminated Ni-Cu sulphide mineralisation remains open in all directions.

In addition to the Sleeping Giant drilling, a single hole, NAD08-171EXT was deepened by 74.5m from 212 to 286.5m in order to test for "Sleeping Giant-type" mineralisation south of H Zone due to the hole finishing in mineralisation (4m at 0.63% Ni). Disseminated, net-textured and stringer sulphides were intersected from 259.4m returning **2.85m at 1.57% Ni and 0.27% Cu**. Preliminary bore hole electromagnetic (BHEM) survey results indicate that a conductor anomaly associated with this mineralisation is centred both down-dip and south of the hole. This is interpreted to lie on the same plane as mineralisation intersected in hole NAD08-119 (0.70m at 3.56% Ni and 0.61% Cu) at I Target located 300m up-dip to the east. The BHEM results also show a building off-hole anomaly beyond the end of hole NAD08-171EXT. This anomaly is interpreted to be caused by a moderate to strong conductor located both down-dip and south of the hole. Further drilling will be required to more fully test these new targets.

The 2011 Nachingwea JV budget of C\$8.775 million is designed to expand the current Mineral Resource at Sleeping Giant, advance the Ntaka Hill Ni-Cu sulphide deposits towards mine development, and generate and explore priority regional exploration targets.

Two diamond core rigs are currently drilling to expand the resources and provide metallurgical sample for the scoping study which is in progress. A total of 17 holes for 5,495 metres were completed by the end of August with approximately 14,000 metres planned for the field season. Sixteen holes have targeted the Sleeping Giant Zone and one 2008 drill hole was deepened to test an exploration target south of H Zone. To date results have been received for 5 holes. Further hole results will be released as they become available.

A full discussion of current results including a drillhole location plan can be viewed in the CNI release to the TSXV attached below.

### **Nachingwea Holding Structure**

IMX's interest in the Nachingwea Ni-Cu JV 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.



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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 \$110m.

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, copper and gold. IMX is currently working towards focusing its activities on steel and steel related products, whilst ensuring it maintains shareholder value for those projects that fall outside of this core business activity.

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 mine, 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 has been announced and the joint venture project group is currently accelerating the development program to commence production of a saleable  $\pm$  60% Fe intermediate concentrate.

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 including Snaefell. 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 is currently undertaking extensive field work to understand the potential of this area.

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. IMX is currently participating in the JV funding requirements in order to maintain its 25% JV interest.

IMX owns 26.6% of Uranex (ASX:UNX), a spin-off from IMX, which is a dedicated uranium company with assets in Australia and Tanzania. IMX has announced its intention to distribute the shares it owns in Uranex to its shareholders as an in specie distribution.

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



## **Press Release**

### **Continental Nickel Intersects 2.03% Nickel and 0.42% copper over 31.5 Metres at Sleeping Giant Zone and Provides Drilling Update, Nachingwea Property, Tanzania**

TORONTO, ONTARIO September 13, 2011 - Continental Nickel Limited (TSX VENTURE:CNI) ("CNI" or the "Company") is pleased to report that assays are now starting to be received from the drilling program that commenced in mid-June. Highlights include drill hole NAD11-234 which intersected Sleeping Giant mineralization grading 2.03% nickel and 0.42% copper over 31.5 metres from within a wider interval grading 1.62% nickel and 0.36% copper over 47.0 metres. This intersection represents one of the best sulphide intersections to date at Ntaka Hill and is located 200 metres south of the drill hole NAD10-220 which intersected 2.58% nickel and 0.41% copper over 23.3 metres in 2010. The project is a 75:25 joint venture between CNI and IMX Resources Limited ("IMX") of Australia.

The Company is implementing a CDN\$8.775 million work program on the Nachingwea project in 2011, including CDN\$5.525 million for exploration and CDN\$3.25 million for technical studies to 1) expand the current Mineral Resource of the Sleeping Giant zone; 2) advance the Ntaka Hill nickel-copper sulphide deposits towards mine development and 3) generate and explore priority targets on the regional land holdings. The work program includes approximately 14,000 metres of diamond drilling at Ntaka Hill to extend the Sleeping Giant zone by step out drilling on 100 metre centres, test several other priority targets within the Ntaka ultramafic intrusion and provide metallurgical samples for the scoping study.

The 2011 drilling program, utilizing two diamond drill rigs, began on June 15<sup>th</sup> with 5,495 metres completed in seventeen holes to late August. Sixteen holes have tested the Sleeping Giant zone and one 2008 drill hole was deepened to test an exploration target south of H zone. Initial drilling on the Sleeping Giant zone experienced technical problems resulting in general delays and several holes not reaching target depths. These issues have been resolved.

Assay results have been received for the deepened hole south of H zone and one of the Sleeping Giant drill holes. Partial assay results have been received for three additional Sleeping Giant holes. Assay results received to date, as well as location and geological context for the seventeen holes noted above, are reported herein and provided below in Table I. A drill hole location figure may be viewed using the link provided with this release.

Patricia Tirschmann, VP Exploration, commented on the drilling program to date *"Each new drill hole is providing valuable information on the nature, extents and structural control of the Sleeping Giant zone. The recent intersection in hole NAD11-234 further enforces our interpretation that a higher grade core to the zone exists and can be traced over a strike length of at least 500 metres from drill hole NAD10-226 in the north to hole NAD11-238 in the south. The 2011 drilling is expected to result in extensions to both the higher grade and lower grade portions of the Sleeping Giant zone. In addition, we continue to intersect zones of disseminated sulphide mineralization which lie above the Sleeping Giant zone within areas designated as "waste" in the pit shell defined by the April 2011 Mineral Resource."*

## **Sleeping Giant Zone**

### Section 3600N

Drill hole NAD11-227 was drilled 100 metres up-dip of hole NAD10-225 and was stopped at 109.2 metres when the core barrel was lost down hole. This hole did not reach the expected depth of the Sleeping Giant zone and up-dip drill testing on the section is still to be completed. Partial assays have been received as shown in Table I.

Hole NAD11-230 was drilled 100 metres down-dip of hole NAD10-224 and intersected various zones of weakly disseminated sulphides within the upper portion of the hole for which assays are pending. A large unit of felsic gneiss was intersected near the bottom of the hole at the anticipated depth of the Sleeping Giant zone.

### Section 3500N

Drill hole NAD11-228 was drilled to test 100 metres down-dip of hole NAD10-220 which intersected 2.58% nickel and 0.41% copper over 23.3 metres in 2010. NAD11-228 was stopped short of the Sleeping Giant zone at 382 meters when the core barrel was lost down hole. A number of zones of disseminated sulphide mineralization were intersected including a 59 metre interval from 305 to 363 metres which graded 0.40% nickel and 0.09% copper including 9.05 metres grading 0.63% nickel and 0.12% copper. This wide zone of mineralization may represent the Sleeping Giant zone intersected more shallowly than expected.

Completion of hole NAD11-228 to target depth is planned and will be attempted by setting a wedge near the bottom of the hole in order to drill past the core barrel.

### Section 3400N

Drill hole NAD11-229 was drilled 100 metres down-dip of hole NAD10-211 which intersected 1.07 % nickel and 0.19% copper over 19.1 metres in 2010. NAD11-229 deviated off section with the end of hole located approximately 80 metres to the north. Various zones of disseminated sulphides were intersected throughout the hole, the most significant of which were a 14.2 metre interval grading 0.73% nickel and 0.14% copper from 264.2 to 278.4 metres and a 6.95 metre interval grading 0.51% nickel and 0.15% copper from 287.05 to 294 metres. These two intersections are interpreted to correlate with the Sleeping Giant zone, intersected more shallowly than expected as seen in hole NAD11-228. Final assay results are pending for the bottom portion of this hole.

### Section 3300N

Drill hole NAD11-231 was drilled to test 100 metre down-dip of drill hole NAD07-023EXT which intersected disseminated nickel mineralization grading 0.64% nickel and 0.12% copper over 80 metres in 2010. NAD11-231 intersected various metre scale intervals of weakly disseminated sulphide mineralization throughout the hole, the lowermost of which correspond to the Sleeping Giant zone. Assays are pending.

Hole NAD11-234 was drilled to test 100 metres up dip of NAD07-023EXT. This hole intersected a wide zone of Sleeping Giant mineralization consisting of disseminated to blebby sulphides as well as partially remobilized sulphide stringers which graded 1.62% nickel and 0.36% copper over 47.0 meters including a higher grade interval grading 2.03% nickel and 0.42% copper over 31.5 meters. NAD11-234 is located 200 metres south of the hole NAD11-220 (2.58% nickel and 0.41% copper over 23.3 metres) and 100 metres south of hole NAD10-216 (1.22 % nickel and 0.21% copper over 15.9 metres). The mineralization in hole NAD11-234 is one of best intersections obtained to date at Ntaka Hill. Final assays are pending for the upper portion of this hole.



NAD11-235 was drilled 100 metres up-dip of hole NAD11-234 and intersected various metre scale zones of disseminated sulphides including a 9 metre interval from 219 to 228 metres which correlates with the Sleeping Giant zone. Assays are pending.

#### Sections 3200N

Drill holes NAD11-237, 238 and 242 were drilled 100 metres to the south on section 3200N to test for the down-plunge extension of the Sleeping Giant zone. NAD11-237 was lost at 19.65m and was re-collared as hole NAD11-238. NAD11-238 intersected two separate mineralized intervals, including a 15 metre interval from 360 to 375 metres and a 9 metre from 395 to 404 metres, consisting of disseminated to net-textured to stringer sulphides as well as narrow massive sulphide veins. These two intervals are similar in appearance to the mineralization intersected in hole NAD11-234.

NAD11-242 was drilled 100 metres up-dip of NAD11-238 and intersected an 18 metre interval of disseminated to locally net-textured sulphides from 288 to 306 meters which correlates with the Sleeping Giant zone.

Mineralization intersected in holes NAD11-238 and 242 represent an additional 100 metre down plunge extension to the Sleeping Giant zone. Assays are pending.

#### Section 3700N

Drill hole NAD11-232 was drilled to test 100 metres up-dip of hole NAD11-226 which intersected 2.28% nickel and 0.57% copper over 17.25 metres in 2010. NAD11-232 intersected a 48 metre interval from 143 to 191 metres consisting of disseminated, blebby and stringer sulphides which is interpreted to represent the up-dip extension of the Sleeping Giant zone.

Drill hole NAD11-233 was drilled to test 100 metres down-dip of hole NAD11-226 and intersected a 7 metre interval of disseminated to blebby sulphides from 282 to 289 metres corresponding to the Sleeping Giant zone. This hole also intersected an additional 7 metre interval of disseminated to net-textured sulphides located 150 metres up-hole of the Sleeping Giant zone from 127 to 134 metres.

Hole NAD11-236 was drilled 100 metres down-dip of hole NAD11-223 and did not intersect significant widths of ultramafic rock or mineralization.

Assays are pending.

#### Section 3800N

Drill hole NAD11-239 was drilled to test for the up-plunge extension of the Sleeping Giant zone and, similar to hole NAD11-233, intersected two separate zones of mineralization. The upper zone consisted of 24 metres of disseminated sulphides from 32 to 56 metres and the lower zone comprised 12 metres of disseminated to blebby sulphides from 212 to 224 metres. The lower zone is interpreted to correlate with the Sleeping Giant zone.

Hole NAD11-241 was drilled to test 100 metres down-dip of NAD11-239 and intersected several zones of disseminated sulphides including a 7 metre interval from 303 to 310 metres which represents the down-dip extension of the Sleeping Giant zone.

Assays are pending.

## Sections 3875N

Drill hole NAD11-240 was drilled to test a bore hole EM anomaly located down-dip of L zone and also to test for the up-plunge extension of the Sleeping Giant zone. This hole intersected several zones of disseminated sulphides between 83 and 105 metres which explain the bore hole EM anomaly and may correlate with the upper sulphide intersections in holes NAD11-233 and 239. Assays are pending.

### **Exploration Target South of H Zone**

Drill hole NAD08-171EXT was deepened by 74.5 meters from 212 to 286.5 meters in order to test for "Sleeping Giant-type" mineralization south of H zone. In 2008, this hole intersected 0.63% Ni over 4.0m in mineralized peridotite occurring at the former end of hole. This mineralization did not extend from the point of hole deepening. However, the hole did intersect 2.85 metres of disseminated, net-textured and stringer sulphide from 259.40 to 262.25 metres which graded 1.57% nickel and 0.27% copper.

Preliminary bore hole electromagnetic (BHEM) survey results indicate that a weak in-hole anomaly detected at 260 meters is associated with this mineralization. The conductor associated with this anomaly is centered both down-dip and south of NAD08-171EXT and is interpreted to lie on the same plane as mineralization intersected in hole NAD08-119 (3.56% Ni & 0.61% Cu / 0.70 metres) at I Target located 300 metres up-dip to the east. The BHEM results also show a building off-hole anomaly beyond the end of hole NAD08-171EXT. This anomaly is interpreted to be caused by a moderate to strong conductor located both down-dip and south of the hole. Additional drilling will be required to more fully test these new targets.

### **Qualified Persons**

The quality control, technical information and all aspects of the exploration program are supervised by Patricia Tirschmann, P. Geo., Vice President, Exploration for CNI. Ms. Tirschmann is a qualified person as defined by National Instrument 43-101. The information in this release was prepared under the direction of Dave Massola, President and CEO for Continental Nickel Limited.

### **Quality Control**

The drilling was completed by Tandrill Limited of Tanzania. Drill core samples (NQ) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes. Samples are generally 1.0 metre intervals or less at the discretion of the site geologists. Sample preparation is completed at the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps are sent by courier to the ALS Chemex analytical laboratory in Vancouver, Canada. Blank samples and commercially prepared and certified Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one per sample batch. Analyses for Ni, Cu and Co are completed using a peroxide fusion preparation and ICP-AES finish (Analytical Code ME-ICP81). Analyses for Pt, Pd, and Au are by fire assay with an ICP-AES finish (Analytical Code PGM-ICP23).

### **About Continental Nickel Limited**

*Continental 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 Mineral Resources (Measured and Indicated) have been estimated at 60,900 tonnes of contained nickel, and an additional 131,000 tonnes of contained nickel in Inferred Mineral Resources (CNI press release April 15, 2011). The project is a 75:25 exploration joint venture between the Company and IMX Resources Limited.*

*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.*

*As at the date of this release, the Company has 42,713,508 common shares issued and outstanding (51,031,914 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well funded with over C\$8.7 million in the treasury as at March 31, 2011.*

On behalf of

**Continental Nickel Limited**

“Dave Massola”

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Information in this announcement relating to exploration results is based on data collected under the supervision of or compiled by Patricia Tirschmann, P. Geo., who holds the position of Vice President, Exploration and is a full time employee of Continental Nickel Limited. Ms. Tirschmann is a registered member of the Association of Professional Geoscientists of Ontario and 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. Ms. Tirschmann consents to the inclusion of the data in the form and context in which it appears.



**Table I: Summary of Holes Completed and Recent Assay Results  
Ntaka Hill, Nachingwea Project, Tanzania.**

Drill hole (NAD11-)	Location East/North UTM:WGS84	Az / Dip	Length (m)	From (m)	To (m)	Interval (m)	% Ni	% Cu	% Co
<b>Sleeping Giant Zone, Ntaka Hill</b>									
227**	450212mE 8883600mN	090 / -63	109.20	23.00	23.40	0.40	0.82	0.92	0.03
Hole not completed to target depth; wedge or re-drill planned									
228	449964mE 8883500mN	090 / -75.5	382.00	247.65	252.00	4.35	0.41	0.08	0.02
				305.00	364.00	59.00	0.40	0.09	0.01
				Incl. 354.95	364.00	9.05	0.63	0.12	0.02
Hole not completed to target depth; wedge planned									
229**	449906mE 8883400mN	090 / -63	520.45	246.00	249.00	3.00	0.66	0.09	0.01
				264.20	278.40	14.20	0.73	0.14	0.02
				287.05	294.00	6.95	0.51	0.15	0.02
				326.30	327.00	0.70	1.52	0.88	0.03
230	449960mE 8883600mN	090 / -68	385.55				*	*	*
231	449987mE 8883300mN	100 / -83	496.65				*	*	*
232	450167mE 8883700mN	095 / -66	217.60				*	*	*
233	449990mE 8883700mN	100 / -69	371.10				*	*	*
234**	450150mE 8883300mN	100 / -79	388.85	309.00	356.00	47.00	1.62	0.36	0.03
				Incl.: 313.50	345.00	31.50	2.03	0.42	0.04
				362.00	364.00	2.00	1.33	0.20	0.03
235	450198mE 8883300mN	100 / -71	364.50				*	*	*
236	449900mE 8883700mN	105 / -73	434.00				*	*	*
237	450154mE 8883200mN	090 / -79	19.65	Hole lost and re-collared as NAD11-238					
238	450154mE 8883198mN	090 / -79	466.50				*	*	*
239	450096mE 8883800mN	095 / -73	253.00				*	*	*
240	450090mE 8883877mN	090 / -70	250.00				*	*	*
241	449946mE 8883800mN	090 / -55	328.00				*	*	*
242	450155mE 8883198mN	090 / -64	433.40				*	*	*
<b>Exploration Target South of H Zone, Ntaka Hill</b>									
NAD08-171 EXT	450592mE 8883115mN	050 / -61	286.45 (deep-ened by 74.50m)	259.40 Incl.: 259.65	262.25 260.30	2.85 0.65	1.57 3.84	0.27 0.79	0.07 0.08

Note:

\* - Assays Pending

\*\* - Additional Assays Pending

Intervals represent core lengths, not necessarily true widths.

Pt, Pd and Au assay results are not reported because in general, they are less than 1.0 g/t on a combined basis.

NSA – No Significant Assays

See below to view the drill hole location figure.

Figure 1

