

12 October 2011

## 109.8MT Maiden Iron Ore Resource for Snaefell Project

### Highlights

- JORC (2004) Inferred Resource of **109.8 Mt at 30.13% Fe** using a 27.5% Fe cut-off grade estimated for IMX's 100% owned Snaefell Project
- Inferred Resource exceeds initial target tonnage model expectations
- At an 18% Fe cut-off grade, the Inferred Resource increases to **200.0Mt at 27.65% Fe**, demonstrating the consistent nature of the mineralisation
- Mineralisation remains open in all directions
- Resource estimate covers 1,080m of an estimated 3km strike length
- Further strike extension resource drilling underway for resource upgrade

IMX Resources Limited (ASX:IXR) announces a maiden mineral resource estimate of **109.8Mt at 30.13% Fe** using a 27.5% Fe cut off grade (Table 1) for its wholly-owned Snaefell project in South Australia. Located 12km south west of the Cairn Hill iron-copper mine, Snaefell is part of IMX's Mt Woods iron exploration area.

Table 1. Snaefell Mineral Resource JORC (2004) Classified

Category	Type	Fe % Cut Off	Million Tonnes Mt	Fe %	Al <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	S %
Inferred	Oxide	27.5	0.5	29.85	6.45	0.095	43.01	0.03
	Transitional		13.9	30.01	6.24	0.111	43.45	0.03
	Fresh		95.4	30.14	5.69	0.139	44.30	0.01
<b>Inferred</b>	<b>Total</b>	<b>27.5</b>	<b>109.8</b>	<b>30.13</b>	<b>5.77</b>	<b>0.135</b>	<b>44.18</b>	<b>0.01</b>
Inferred	Oxide	18.0	2.1	25.99	7.36	0.080	44.05	0.05
	Transitional		37.1	26.50	7.24	0.100	44.84	0.04
	Fresh		160.8	27.94	6.13	0.134	45.01	0.01
<b>Inferred</b>	<b>Total</b>	<b>18.0</b>	<b>200.0</b>	<b>27.65</b>	<b>6.35</b>	<b>0.127</b>	<b>44.97</b>	<b>0.02</b>

The Snaefell Mineral Resource estimate has been classified as an Inferred Mineral Resource based on the guidelines of the JORC Code (2004) and reported above based on an 18% and 27.5% Fe cut-off grade for Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P and S. The mineralisation is low in both phosphorus (P) and sulphur (S).

IMX Acting CEO Andrew Steers said "This initial Snaefell resource is a significant addition to our iron ore inventory and confirms our belief in the potential of the Mt Woods area. Our goal now is to continue to expand the resource with additional drilling and to finalise the metallurgical studies."

"The maiden resource has exceeded our initial targets and confirms the consistent nature of the iron mineralisation. We are confident that Snaefell could become the major long life iron ore asset that the Company has been looking for to compliment Cairn Hill and the Company is well placed to be able to advance this Project towards production."

This initial Snaefell 'core area' resource estimate covers 1,080m of an estimated 3km strike length. Upgrade resource drilling comprising a 30-hole, 6,000m RC program is already underway. This drilling is targeting a 2km strike extension, both east and west of the inferred mineral resource. The exploration target tonnage of this area is estimated as between 200-300Mt at 28-35% Fe<sup>1</sup>, and is in addition to the 'core area' maiden resource estimate defined. Drilling results are expected to become available in the coming months. Once all results are to hand, a resource upgrade will be prepared.

## Resource

The Snaefell mineral resource estimate has been classified as an Inferred Mineral Resource based on the guidelines of the JORC Code (2004) and reported in table 1 above based on an 18% and 27.5% Fe cut-off grade for Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P and S.

The resource was estimated by the Company and Runge Limited based on the combination of reverse circulation (RC) and diamond drilling completed to April 2011 on the initial 'core area' target covering a 1,080m strike length and a 270m vertical depth (Figure 1). An initial 'core area' exploration target tonnage model of 70-100Mt grading 28-35% Fe<sup>1</sup> over an 800m strike length was the basis of the resource drilling program with hole depths restricted to 232m maximum depth. The new inferred resource demonstrates that the target tonnage model underestimated the iron resource and additional potential exists at depth and along strike in all directions.

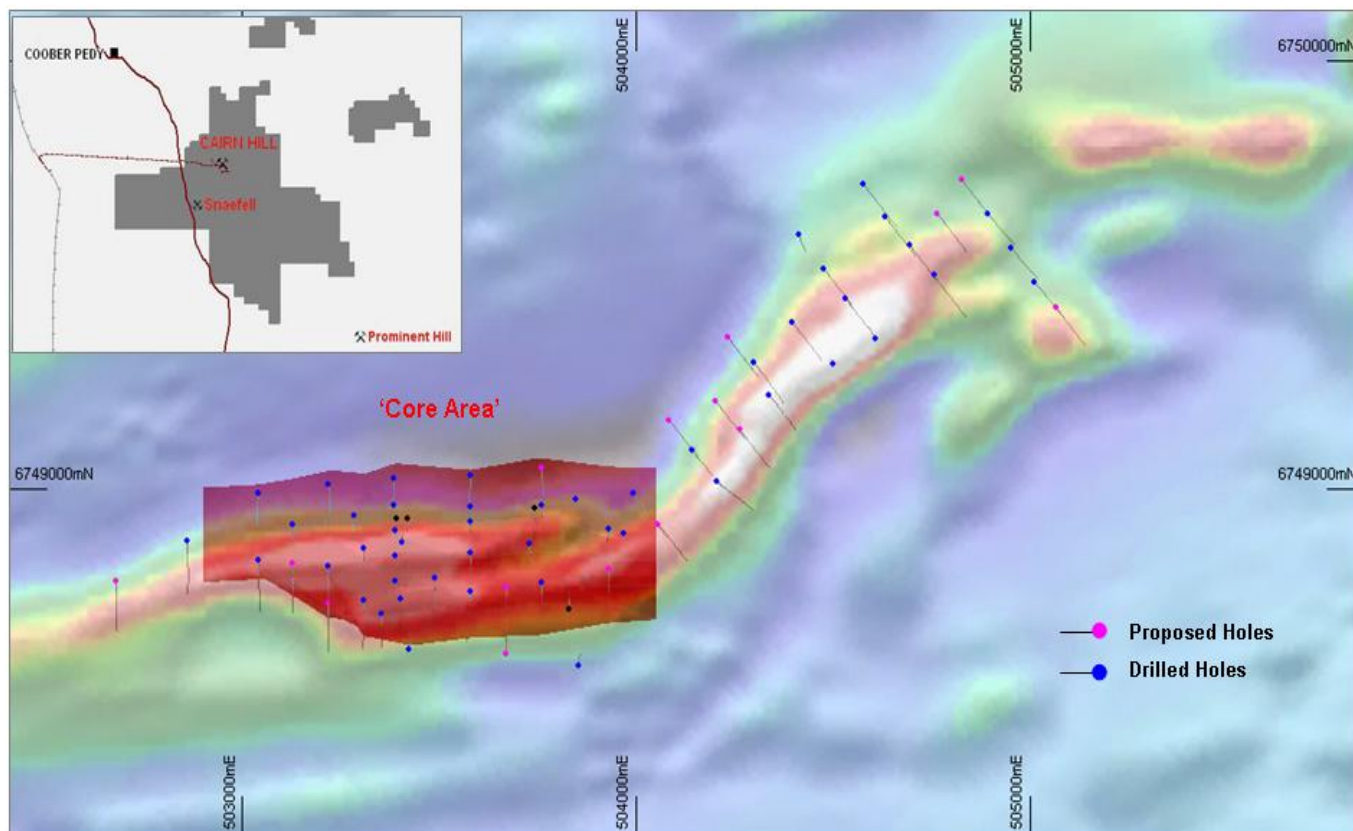


Figure 1 Snaefell Inferred Mineral Resource wireframes showing location of extensional resource drilling on TMI magnetics.

A total of 30 drill holes were used in the resource estimate, for a total of 3,854m within the resource wireframes. The resource was estimated using ordinary kriging where the search was

<sup>1</sup> Note: Target tonnage estimates are conceptual only. These figures are not resource estimates as defined by the JORC Code (2004) as insufficient exploration has been conducted yet to define a Mineral Resource. Target Tonnage estimates contained in this release, were reported to the ASX: 11 November 2009

orientated in the plane of the mineralisation. The dimensions of the search ellipse were based on the ranges of the Fe variogram. A block size of 45m by 20m by 10m (X, Y, Z) was selected and subcells were used to accurately model the mineralisation. Bulk densities of 2.3t/m<sup>3</sup>, 2.94t/m<sup>3</sup> and 3.38t/m<sup>3</sup> were used for oxide, transitional and fresh magnetite gneiss. Classification of the resource considered the sample spacing, geological and grade continuity parameters. The mineralisation remains open in all directions.

### **Metallurgy**

Preliminary metallurgical testwork indicates that up to 40% of the mass of the ROM ore could be rejected after crushing by dry magnetic separation, thus allowing a significantly reduced grinding circuit requirement. Wet LIMS magnetic separation at a P<sub>80</sub> of 150 microns could produce a 66% Fe magnetite concentrate. As with Cairn Hill, the Snaefell magnetite appears to be relatively coarse grained which has the potential for a lower capital and operating cost project.

Detailed metallurgical testwork is currently under way to confirm the initial results for the Inferred Resource area. Dry LIMS, bond grind and impact testwork have been completed. Wet LIMS and mineralogical characterisation studies are ongoing and it is anticipated that additional drillholes and testwork will be required to obtain more representative sample of the larger resource.

Snaefell is located within the Kangaroo Dam exploration licence EL4649 which is part of IMX's Mt Woods Project in South Australia. The licence is subject to a joint venture with OZ Minerals Ltd (ASX: 13 April 2010) whereby IMX retains 100% of the iron ore rights and OZ Minerals is earning-in on the non-iron ore rights.



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Information in this public report that relates to the estimation of Mineral Resources is based on information compiled by Mr Robert Williams, and supervised by Ms Bianca Manzi. Mr Williams who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Runge Limited, has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results and Mineral Resources. Mr Williams and Ms Manzi consent to the inclusion of the data in the form and context in which it appears.

## 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 \$100m.

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.

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