

17 January 2012

Drilling Increases Size of Snaefell

Highlights

- **120m at 31.85% Fe intersected in core zone**
 - **Snaefell strike length more than doubled to 2.7km**
 - **Increased Mineral Resource estimate expected in February**
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Iron ore producer IMX Resources Limited (ASX:IXR) has received the final results for the 2011 reverse circulation (RC) drilling completed at the Snaefell iron ore prospect. Snaefell is located 12km south west of the Cairn Hill iron-copper mine and 55km south east of Coober Pedy in South Australia.

Laboratory results have confirmed that high iron grades occur over wide intervals throughout the Snaefell deposit with hole SFRC024 reporting a best intersection of 120m at 31.85% Fe from 44m (Figure 1).

In addition, all new RC holes targeting the north east extension of the Snaefell magnetic anomaly have returned significant widths of magnetite mineralisation with intersections between 10 and 102m down hole being reported.

A summary of significant iron intersections is appended as Table 1.

The recent drilling has more than doubled the confirmed strike length of the Snaefell magnetite mineralisation to 2.7km, a substantial increase on the initial 1km 'core area' zone previously defined in the maiden Inferred Resource estimate of 109.8Mt @ 30.13% Fe (using a 27.5% Fe cut-off grade)¹ released in October 2011. The prospect has now been tested by drilling over a width of 280m and a depth of 300m, and remains open at depth and along strike.

In addition to the drilling, Davis Tube Recovery (DTR) metallurgical testwork was conducted on 30 new composite RC samples taken from 25 new holes throughout the prospect. The preliminary results again confirm previous results with magnetic concentrates of 65% Fe readily achievable at a coarse grind size of 200µm (unoptimised). Crushing and grinding characteristics indicate that Snaefell is a soft ore type. DTR tails continue to be evaluated to optimise hematite recovery.

Managing Director Neil Meadows said the latest drilling results confirmed the prospectivity of the Snaefell prospect and the validity of the regional exploration strategy.

"Our strategy is to continue exploring for iron ore deposits in close proximity to the Cairn Hill mine in order to optimise mine productivity and maximise the use of existing infrastructure."

With all results now received the database and geological models have been provided to Runge Ltd, who will update the Snaefell mineral resource estimate. It is anticipated that the updated resource will be available by mid February 2012.

¹ Estimated according to JORC Code (2004) guidelines

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Information in this public report relating to exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists, and who is a full-time employee of the Company. Bianca Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Bianca Manzi consents to the inclusion of the data in the form and context in which it appears.

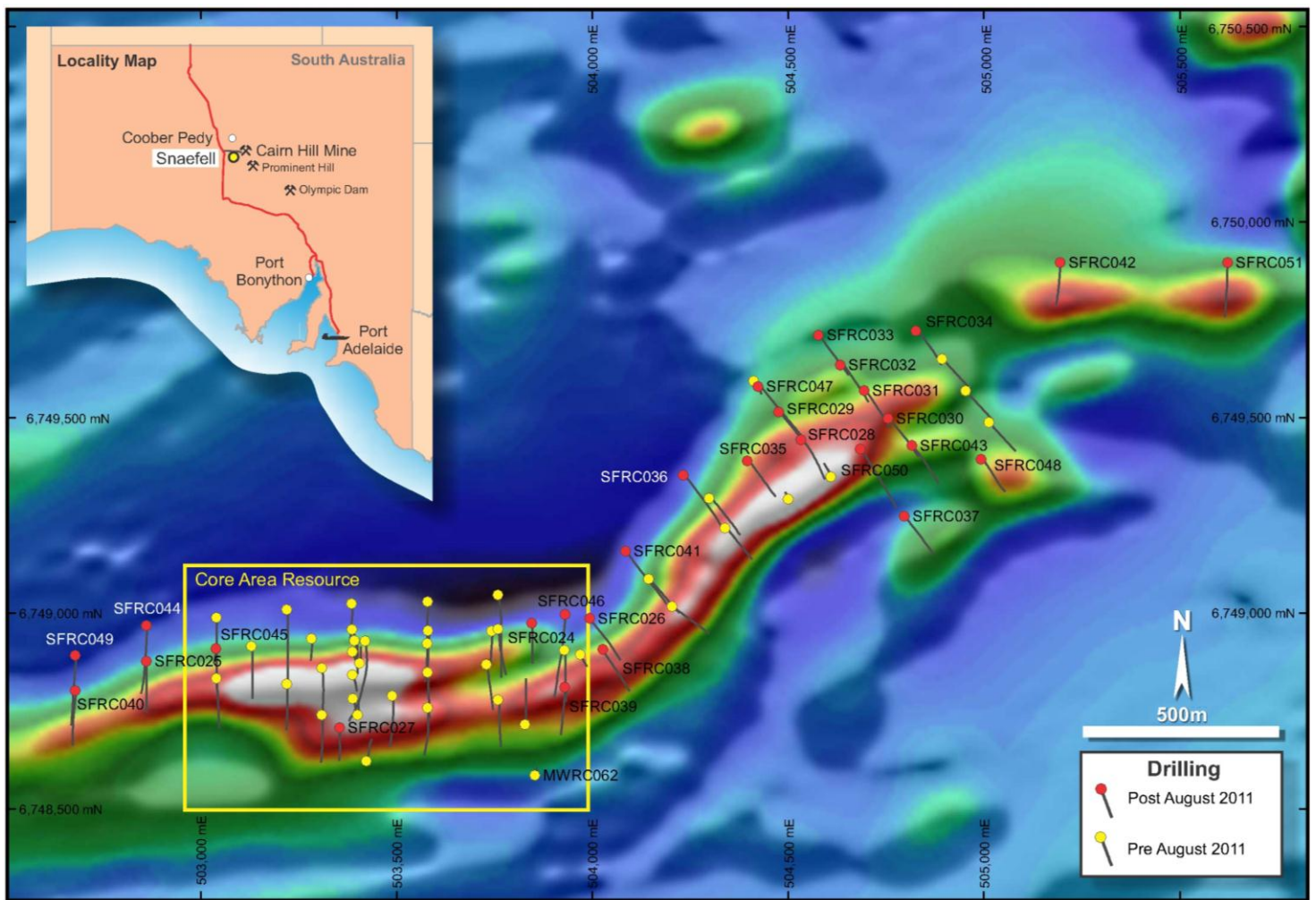


Figure 1. Snafell drillhole location on magnetics

Table 1. Snaefell Significant RC Intersections (Fe ≥ 20%, Intervals ≥ 10m, Internal dilution ≤ 4m).

Hole	From m	To m	Interval m	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
SFRC024	44	164	120	31.85	41.77	5.52	0.096	0.035	2.98
	186	210	24	23.20	49.88	8.52	0.121	0.023	0.08
SFRC025	96	168	72	30.36	43.80	6.12	0.108	0.024	1.88
SFRC026	50	64	14	21.39	39.29	13.02	0.113	0.091	11.83
	74	180	106	28.74	44.63	6.87	0.112	0.028	2.33
	216	230	14	26.88	47.23	6.17	0.137	0.009	0.31
SFRC027	42	92	50	30.13	40.35	5.36	0.062	0.054	5.73
	100	114	14	21.45	49.10	10.29	0.114	0.025	4.75
SFRC028	36	60	24	27.50	40.17	7.24	0.045	0.107	7.37
	74	88	14	23.28	47.12	8.95	0.199	0.019	1.21
	114	192	78	23.77	49.57	8.23	0.125	0.016	0.16
SFRC029	88	136	48	31.73	37.70	6.09	0.175	0.027	5.36
	148	166	18	21.47	50.55	10.04	0.138	0.062	0.32
	194	230	36	27.46	44.45	6.02	0.141	0.014	0.87
SFRC030	38	76	38	34.71	27.20	5.41	0.190	0.112	11.69
	88	128	40	29.93	41.15	6.86	0.120	0.067	4.41
	148	162	14	21.45	51.28	9.51	0.110	0.047	0.04
	180	190	10	25.20	49.91	7.23	0.130	0.066	-1.14
	196	230	34	31.83	43.57	4.93	0.142	0.020	-0.37
SFRC031	46	62	16	28.42	41.91	8.27	0.070	0.049	5.12
	98	108	10	25.68	48.96	6.74	0.124	0.013	0.69
	114	132	18	24.77	48.75	7.75	0.118	0.020	0.36
	138	156	18	29.51	42.28	5.82	0.142	0.026	3.50
	176	190	14	33.14	41.83	4.52	0.157	0.052	-0.42
	204	214	10	25.59	46.31	7.43	0.133	0.224	1.20
SFRC032	50	60	10	40.34	24.11	4.56	0.146	0.037	9.76
	138	164	26	24.94	48.68	8.45	0.150	0.023	-0.40
	196	226	30	25.14	47.98	6.84	0.120	0.033	0.79
SFRC033	80	92	12	26.84	43.74	8.22	0.109	0.028	4.89
	128	152	24	29.09	44.04	3.66	0.109	0.034	6.11
	164	174	10	23.92	49.80	7.81	0.172	0.019	0.39
	182	204	22	29.79	44.53	6.45	0.166	0.624	-0.56
SFRC034	78	88	10	28.19	35.80	9.95	0.073	0.027	10.52
	130	140	10	30.07	43.13	5.85	0.121	0.026	2.64
	178	214	36	25.81	44.65	6.00	0.137	0.013	-0.21
SFRC035	36	104	68	25.57	44.57	8.92	0.103	0.051	4.45
	122	172	50	25.05	48.28	7.32	0.127	0.041	0.75
	178	216	38	28.46	45.73	5.93	0.140	0.015	-0.13
SFRC036	110	140	30	28.10	33.21	14.11	0.210	0.047	7.87
	162	186	24	23.73	48.20	9.05	0.071	0.024	2.49
	210	258	48	24.47	48.26	8.03	0.132	0.017	0.30

SFRC037	104	162	58	30.54	43.23	6.79	0.058	0.019	2.70
SFRC038	40	88	48	24.06	46.94	7.66	0.113	0.030	3.50
	116	190	74	29.52	43.64	5.91	0.168	0.025	-0.01
SFRC039	48	78	30	23.19	33.73	6.61	0.066	0.028	12.09
	112	184	72	27.64	45.43	6.24	0.150	0.014	0.97
SFRC040	66	142	76	28.20	43.79	6.80	0.116	0.024	4.32
	182	194	12	21.08	52.66	8.67	0.121	0.018	0.71
SFRC041	290	316	26	25.34	48.35	7.40	0.135	0.014	-0.02
SFRC042	102	150	48	27.84	45.47	6.43	0.152	0.033	-0.01
	178	196	18	21.85	53.88	7.90	0.101	0.050	-0.29
SFRC043	38	50	12	20.87	43.80	10.00	0.168	0.101	10.73
	68	80	12	24.26	44.84	8.62	0.121	0.047	6.97
	100	142	42	22.45	50.98	8.94	0.132	0.041	1.19
	194	224	30	25.93	47.75	7.99	0.144	0.041	-0.01
SFRC044	222	302	80	29.72	44.80	5.57	0.149	0.022	0.63
SFRC045	128	156	28	20.67	50.41	7.57	0.116	0.048	8.40
	164	196	32	28.55	45.28	5.68	0.150	0.196	2.71
SFRC046	46	70	24	25.48	36.18	9.36	0.156	0.102	13.65
	198	274	76	29.91	44.28	5.74	0.158	0.017	0.35
SFRC047	64	136	72	27.65	40.63	7.64	0.145	0.057	9.12
	148	160	12	27.01	40.88	8.46	0.225	0.028	9.81
	216	246	30	32.46	41.93	5.08	0.151	0.042	-0.19
	252	282	30	26.23	47.86	7.15	0.130	0.031	-0.21
	288	308	20	25.47	47.64	6.60	0.122	0.049	0.79
SFRC048	42	144	102	27.34	45.23	7.18	0.059	0.022	5.13
SFRC049	188	248	60	25.45	48.69	6.87	0.137	0.018	0.75
	294	318	24	22.52	50.02	9.05	0.115	0.013	0.58
SFRC050	36	78	42	29.95	38.69	6.82	0.132	0.070	7.03
	202	216	14	28.26	46.63	5.93	0.139	0.018	-0.47
	230	286	56	26.96	47.00	7.04	0.135	0.029	-0.16
SFRC051	94	152	58	29.70	45.70	5.30	0.150	0.030	-0.18
	204	238	34	27.42	49.64	5.29	0.106	0.019	0.01
	246	290	44	27.83	45.98	6.53	0.172	0.023	-0.04

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 \$85m.

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 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 completing a study into its development.

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 25.5% of Uranex (ASX:UNX), a spin-off from IMX, which is a dedicated uranium company with assets in Australia and Tanzania.

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