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CAIRN HILL FUNDING UPDATE

Highlights

- **New sales agreements being signed at improved prices**
- **IMX grants Termite a loan secured directly against the assets of the Joint Venture**

IMX Resources Limited (ASX: IXR) ("IMX") advises that in accordance with previous announcements, Termite Resources NL (Termite) has been negotiating long term contracts with alternative customers for that part of the magnetite ore production from Cairn Hill that its joint venture partner Taifeng Yuangchuang International Development Co. Ltd. ("Taifeng"), has indicated it will not take under the Phase 1 Life of Mine sales contract (the Taifeng Contract).

Termite has advised IMX that it has recently signed new magnetite ore sales agreements for shipments to alternative customers so they can test the processing of the Cairn Hill magnetite ore. These agreements have been struck at rates within 10% of the pricing under the Taifeng Contract. If the processing testwork is successful, Termite expects to be able to enter into long term magnetite ore sales agreements with one or all of these customers on improved terms to the current shipments. IMX intends to ensure that Termite reserves its rights under the Taifeng Contract in spite of these developments.

IMX also advises that Taifeng has not completed its review referred to in IMX's announcement of 16 January 2012 ("16 January Announcement") and as such IMX does not expect Taifeng to contribute its 49% share of cash calls to Outback Iron Pty Ltd ("Outback") until that review is completed. Consequently IMX will continue to fund this project, during this interim period, by way of secured loans direct to Termite, limited to \$20 million. This is, as opposed to the unsecured preferential loan basis to Outback set out in the 16 January Announcement. This new loan facility is adequate to cover the short term cash requirements of the project

Managing Director Neil Meadows said, *"The progress with securing alternative customers for the Cairn Hill magnetite ore has exceeded our expectations in both the number of customers and the pricing that we are receiving. We now believe that we will be able to secure long term off take agreements on terms close to those of the Taifeng Contract. The loan to Termite secured directly against the assets of the Joint Venture increases the certainty that these funds will be recovered."*



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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.

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 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.

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 25.45% 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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