27 August 2012

Mt Woods Magnetite Project
Snaefell Concept Study Completed

Highlights

- **Potential to produce a coarse-grained premium magnetite concentrate on a large scale suitable as direct feed to sinter plants and sale into the broader Asian steelmaking regions.**
- **Relatively low capital and operating cost, low technology risk beneficiation process.**
- **Access to existing infrastructure capable of low cost incremental expansion within the South Australian jurisdiction.**
- **Initiating discussions with potential project development partners.**

IMX Resources Limited (ASX: IXR) ('IMX' or 'the Company') is pleased to report the completion of a positive Concept Study into the development of the Snaefell Project, which is part of the broader Mt Woods Magnetite Project, located 12 kilometres from the Company's Cairn Hill Mining Operation near Coober Pedy in South Australia. Snaefell has a current JORC (2004) Inferred Mineral Resource of 569Mt @ 27.1% Fe (using 18% Fe cut-off) and remains open at depth.

Managing Director Neil Meadows said; *"The Concept Study demonstrates that the Snaefell Project could be developed on the basis of large scale iron concentrate production, from the existing resource base identified at Snaefell within the Mt Woods area. At a coarse grind size of 180-200 microns, the Snaefell ore has the potential to produce a premium quality 66% Fe concentrate which may be suitable as a direct iron making sinter plant feed. The lack of the traditional requirement for pelletisation would reduce the operating costs for the steel makers thereby producing the potential for the concentrate to attract a premium price."*

The major advantage of coarse-grained magnetite ore is that the iron can be liberated from the host rock at a larger particle size, which eliminates the need for complex and technologically challenging ultra-fine grinding equipment. This eliminates the need to construct the highly capital and energy intensive beneficiation circuits typical of most magnetite projects, which in general have grind sizes in the range of 30-100 microns. The flow sheet contemplated in the study involves only three stages of crushing followed by a single stage ball milling and magnetic separation circuit.

The Snaefell magnetite concentrate, at its coarse grain size, is only comparable with a few Chinese domestic magnetite concentrates (*see attachment 1*). It could therefore be sold into the Chinese market or in fact into other Asian steelmaking markets due to its potential to be directly fed into iron sintering. However if it were it to be sold into the Chinese market it could be used to replace or supplement what are becoming less price competitive Chinese domestic iron ore concentrates produced from ore which has been declining in grade for several years *(see attachment 2)*.

The Snaefell project is located in an area in South Australia where it will be able to gain access to existing infrastructure by way of rail, port and power capable of relatively low cost incremental expansion. The South Australian jurisdiction is also noteworthy as a favourable location for mining project development. The relationships that have been established in South Australia by IMX through the development and operation of the Cairn Hill mine will also provide significant leverage to the Company in terms of this larger development.

IMX has committed to proceed during the second half of 2012 with further work on the project, including studies in relation to power, water, logistics and the metallurgy of the magnetite concentrate, to support the advancement of the Snaefell Project through to a commitment to producing a Pre-Feasibility Study (PFS). Diamond core metallurgical drilling has previously been completed to provide the samples required to prove the metallurgical characteristics of the ore and verify if the concentrate can be directly sintered, which is a primary objective of the next round of studies to be completed. Capital and operating cost estimates for the Snaefell project and preliminary project financial analysis will be provided upon completion of the additional studies.

To build on the current Mt Woods magnetite projects' known resources, exploration drilling is planned for the second half of 2012 with the goal of targeting some of the regional iron exploration targets, such as Tomahawk, which remain largely untested. Initial drilling at Tomahawk, together with assessment of regional aeromagnetic surveys conducted in recent years by OZ Minerals in the greater Mt Woods inlier, have yielded the potential for significant exploration upside which could extend the proposed project mine life, increase the proposed annual production rate, or do both.

IMX has initiated discussions with potential partners in the development of the Snaefell Project. These discussions will take place in parallel to the completion of the above described studies.

NEIL MEADOWS
Managing Director

For further information, please contact:

Neil Meadows
Managing Director
Tel: +61 8 9388 7877
E: nmeadows@imxres.com.au

Investor Relations
Tony Dawe
Professional Public Relations
Tel: +61 8 9388 0944
E: tony.dawe@ppr.com.au

About IMX Resources Limited

IMX Resources Limited (ASX: IXR) is an ASX listed company headquartered in Perth, Western Australia.

IMX is a mining and mineral exploration company with an iron ore mining operation in South Australia, and an advanced nickel sulphide development project in Tanzania.

IMX operates and owns 51% of the Cairn Hill Mining Operation, located 55 kilometres south-east of Coober Pedy in South Australia, where it produces a premium coarse-grained magnetite–copper-gold DSO product at a rate of 1.8Mtpa.

IMX recently agreed to acquire all the issued shares in Continental Nickel Limited (CNI) in order to bring the ownership of the Nachingwea Nickel – Copper JV Project in Tanzania within its control. IMX currently has a 37.03% equity interest in CNI and a 25% interest in the Nachingwea Nickel-Copper JV Project. The transaction remains subject to shareholder approval. IMX plans to bring the Nachingwea Nickel-Copper Project into production by 2015. The Company is at an advanced stage of planning for the development of a major new nickel sulphide mining operation, which has the potential to produce a premium quality nickel concentrate product. Nachingwea has the potential to become a world-class nickel and copper project with significant base and precious metals exploration upside.

IMX is actively developing the Mt Woods Magnetite Project on the highly prospective Mt Woods Inlier in South Australia. IMX owns 100% of the iron ore rights of the Mt Woods tenement package, where it currently has a JORC Inferred Resource of 569Mt @ 27% Fe at the Snaefell Magnetite Deposit and a Global Exploration Target of between 200-380Mt @ 25-35% Fe elsewhere in the project.

IMX has also entered into a joint venture with OZ Minerals (the Mt Woods Copper-Gold JV Project) to explore the Mt Woods tenements for copper and gold. OZ Minerals is spending a minimum of $20M for a 51% interest in the non-iron rights, with IMX retaining a 49% interest in the non-iron rights.

IMX owns 25.65% of Uranex (ASX: UNX), which is a dedicated uranium exploration company, which is developing the Mkuju Uranium project in southern Tanzania.

Visit: www.imxresources.com.au

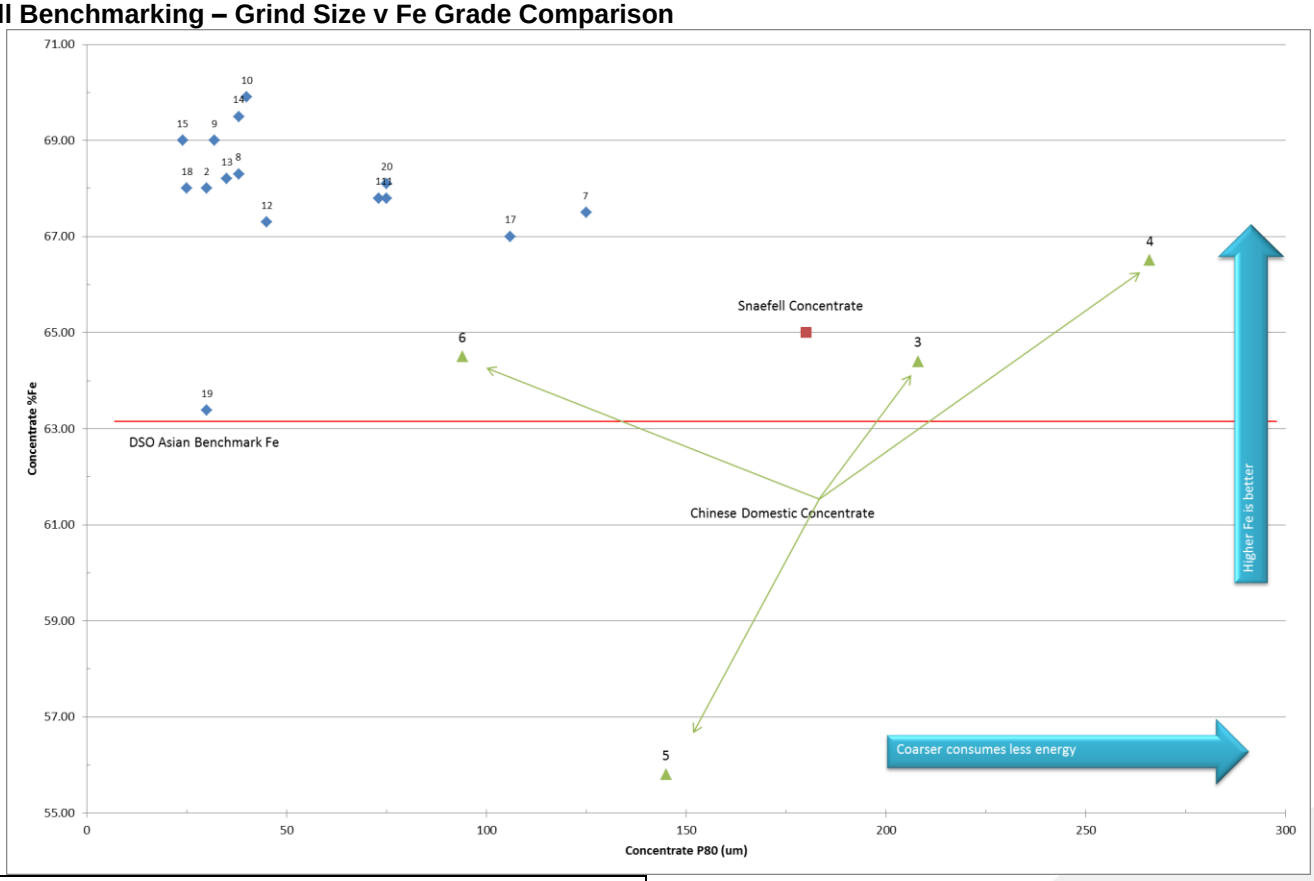
Competent Persons

Information in this public report that relates to the estimation of Mineral Resources is based on information compiled by Mrs Vanessa O'Toole, supervised by Ms Bianca Manzi and reviewed by Mr Trevor Stevenson. Ms Manzi is a Member of the Australian Institute of Geoscientists, and a full-time employee of IMX Resources. Mr Stevenson is a Fellow of the Australasian Institute of Mining and Metallurgy, a member of MICA and a CP, and he is a full time employee of Runge Limited. Mr Stevenson and Ms Manzi each have 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 (the JORC Code). Both Mr Stevenson and Ms Manzi consent to the inclusion of the data in the form and context in which it appears.

Information in this public report that relates to the estimation of Concentrate grades is based on testwork completed by third party laboratories and compiled by Mr Aaron Debono. Mr Debono (BSc) is a Member of the Australian Institute of Mining and Metallurgy and Principal of NeoMet Engineering Pty Ltd. Mr Debono has sufficient 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 (the JORC Code). Mr Debono consents to the inclusion of the data in the form and context in which it appears.

Attachment 1.

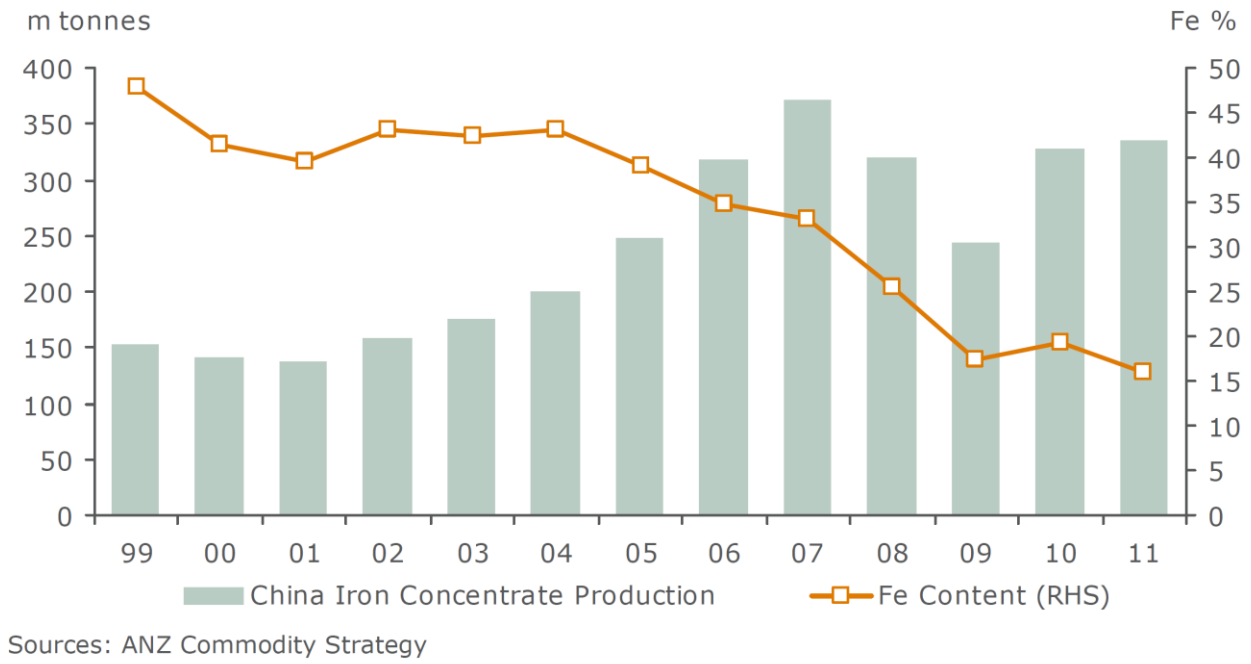
Snaefell Benchmarking – Grind Size v Fe Grade Comparison



	Company & Project
1	Exxaro Resources - Mayoko
2	African Minerals - Tonkolili
3	China - Domestic Con1
4	China - Domestic Con2
5	China - Domestic Con3
6	China - Domestic Con4
7	Athena Resources - Byro Iron Ore Project
8	Atlas Iron - Ridley Magnetite
9	Australasian Resources - Balmoral South
10	Carpentaria Exploration - Hawsons Project
11	Centrex - Eyre Peninsula JV
12	Crosslands - Jack Hills
13	Gindalbie Metals - Karara
14	Grange Resources - Southdown
15	Iron Ore Holdings - Maitland River
17	Iron Road - Central Eyre Iron Project
18	Jupiter Mines - Mt Ida Magnetite
19	Matsa Resources - Dundas Iron Magnetite
20	Royal Resources - Razorback

Source: NeoMet Engineering, Snaefell Concept Study June 2012.
Based on publicly available data gathered from ASX announcements and company websites

Attachment 2. Chinese Domestic Iron Ore Concentrate Production Rates & Iron Ore Feed Grades



Source: ANZ Iron Ore Insight 9 May 2012, p.2