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## **IMX RESOURCES TAKES ANOTHER STEP TOWARDS PRODUCTION AT CAIRN HILL**

Diversified resources company IMX Resources NL (ASX:IXR) has taken another significant step toward production at its Cairn Hill project in South Australia, with the granting of the Mineral Lease.

This follows the formation of an offtake partnership with Chinese steel company Jilin Tonghua Iron & Steel (Group) Mining Ltd (Tonghua Mining), with whom IMX Resources signed a detailed Heads of Agreement (HOA) on 22 December 2007 (ASX 28 December 2007). Pursuant to the HOA Tonghua Mining became a cornerstone investor in IMX Resources on 4 February 2008 (ASX 4 February 2008).

Termite Resources NL, a 100% owned subsidiary of IMX Resources, has been granted the lease by the Department of Primary Industries and Resources of South Australia (PIRSA), and is expected to commence full scale mining at the high grade iron ore – copper – gold project, 55 kilometres south-east of Coober Pedy, in the second half of 2008.

IMX Resources Managing Director Duncan McBain said the Company now anticipates that trial mining will commence mid May, the next step to entering producer status with our high grade niche magnetite – copper ROM product.

“The grant of the mineral lease is another significant milestone for IMX Resources and its shareholders, and we are now on the cusp of first mining at Cairn Hill,” Mr McBain said.

“This is the culmination of 18 month work, and we have been pleased to have worked closely and cooperatively with PIRSA to reach this point,” he said.

Mr McBain said IMX Resources had completed the mining and rehabilitation program (MARP) for its early works program, and was expecting to lodge the MARP for the haul road and the full mining operations shortly. IMX Resources has native title agreements covering for the whole mineral lease, haul road routes and rail siding with the surveys completed.

“We are well on track to meet our production schedule, and to deliver on our strategy to develop Cairn Hill as a niche producer of high quality ore product to China,” Mr McBain said.

“Completion of the haul road, rail and port infrastructure requirements to export the ore through Darwin are the critical items for the commencement of shipments to China.

IMX Resources will be paid for the ROM ore FOB Darwin based on the contained metal at benchmark prices less a fixed discount to account for processing costs and losses. After the ore is processed in China by Tonghua Mining, the Cairn Hill magnetite will be concentrated

into 70% plus Fe product, and will be one of the highest grade magnetite concentrates in the China market. IMX Resources is targeting production of 1.2 to 1.4mtpa of high grade magnetite – copper – gold ore to be shipped from Darwin to Bayuquan near Yingkuo in Liaoning Province, China where Tonghua Mining is building its processing plant. The initial pit design will provide about 5.5 year mine life mining 6.8 million tonne with a grade of 51.55% Fe, 0.44% copper and 0.14g/t Au.

The Company has recently completed an exploration program at Cairn Hill to investigate potential extensions of the initial pit and increasing the resource of the low copper and sulphur magnetite to the east of the initial pit area where IMX Resources is investigating the option for the onsite production of a high grade magnetite concentrate. After this program, only about 4.5km of strike has been explored in any detail, with a minimum of 18km of strike detailed by recent helimag surveys.

“We have recently completed an RC drilling program to better define some of the lateral areas of the initial pit as well a drilling to define a resource to support a low cost, potentially high margin magnetite processing option as a first stage of expanding the project,” Mr McBain said.

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## **About IMX Resources NL**

IMX Resources NL (ASX:IXR) – is headquartered in Perth, Western Australia, is listed on the Australian Stock Exchange (ASX) with a current market capitalisation of approximately \$90m.

IMX Resources is an active diversified mining company with projects in South Australia, Tasmania and Tanzania, East Africa, focusing on a range of commodities including iron-ore, nickel, gold, copper, platinum and uranium.

The company is disciplined in following a careful strategy to maximise shareholder value by discovering and developing ore bodies. IMX Resources 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 Resources shareholders. In 2008 it is anticipated that IMX Resources shareholders will have leverage to approximately \$17m of exploration, with IMX Resources contributing around \$1.5m.

IMX Resources 100%-owned project is Cairn Hill, 55 kilometres south-east of Coober Pedy, South Australia. This unique magnetite Fe – Cu – Au project is close to the Darwin to Adelaide railway line. Studies indicate the project is viable and will produce a premium niche magnetite product that does not require pelletisation for use in the iron and steel industry in addition to having a significant Cu revenue stream. IMX Resources signed a three year offtake agreement with Jilin Tonghua Iron & Steel (Group) Mining Co Ltd in December 2007, following which the Board committed to proceed to project development project.

In Tanzania, Lonmin Plc is earning interest in IMX Resources Mibango platinum joint ventures. Lonmin currently funds and operates the exploration at Mibango.

IMX Resources spun off 70% of the Nachingwea Nickel - Copper project in Tanzania into a Continental Nickel Limited (TSXV:CNI) in August 2007. IMX Resources currently holds 47.3% of Continental Nickel and retains a 30% free carried interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX Resources owns 39.5% of Uranex (ASX:UNX), a spin-off company from IMX Resources, which listed on the ASX in October 2005 and is dedicated uranium company with assets in Australia and Tanzania.

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