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## **TRIAL MINING COMMENCES AT CAIRN HILL**

Diversified resources company IMX Resources NL (ASX:IXR) has commenced trial mining at its Cairn Hill project in South Australia - another significant milestone in its development as an iron ore producer.

Trial mining has commenced at the magnetite iron ore – copper – gold project following the securing of necessary approvals and the mobilisation to site by the mining contractor.

The trial mining will provide valuable information which can be used to fine tune the main operation. Full scale mining is planned to commence in late Q3 2008 at the high grade project, 55 kilometres south-east of Coober Pedy.

The approval by the Department of Primary Industries and Resources of South Australia (PIRSA) allows Termite Resources NL (Termite), a 100% owned subsidiary of IMX Resources, to undertake trial mining to evaluate the mining parameters and gain a better understanding of the orebody and its characteristics. The trial mine will produce approximately 20,000 tonnes of ROM ore that will be crushed and available for bulk samples.

The developments follow the formation of the 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) in December 2007. Pursuant to the HOA Tonghua Mining became a cornerstone investor in IMX Resources on 4 February 2008 (ASX 4 February 2008).

IMX Resources Managing Director Duncan McBain said the Company was excited about the prospects of getting a closer look at the orebody during trial mining.

“The trial mining is another important milestone on the road to becoming a producer of our high grade niche magnetite – copper ROM product,” Mr McBain said.

“The operations team for Cairn Hill is now coming together for IMX to bring the high grade Cairn Hill project to life, and make the transition from explorer to producer,” Mr McBain said.

Mr McBain said IMX Resources application for the various Miscellaneous Purpose Licences covering the haul road and ancillary facilities was imminent and was expecting to lodge the Mining And Rehabilitation Program (MARP) for the full mining operations shortly.

IMX Resources are also awaiting assay results from recent RC drilling at Cairn Hill. The initial expectations are that the low copper and sulphur magnetite mineralisation will be increased by 3-6mt (at 40-50% Fe), sufficient to provide feed for the proposed second stage of the project to produce a high grade magnetite concentrate on site.

In addition to the RC program, diamond drilling was undertaken to provide core for a metallurgical program on the low copper and sulphur magnetite. Outcomes from the metallurgical testwork should be available in Q3 2008.

“While the immediate focus for the Cairn Hill operations team is move into production with the direct ship ROM product, we are also planning for future expansion opportunities,” Mr McBain said.

“The drilling to date still only covers a fraction of the potential of the project identified from the detailed helimag, and IMX Resource remains focussed on continuing our program to expand mineralisation,” 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 \$95m.

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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