



IMX
Resources

Report for the Quarter Ended 30 June 2008

HIGHLIGHTS

Corporate

- > Call of partly paid completed raising \$4.2m in funds
- > Company now in a position to move from a No Liability to a Limited company status at AGM in line with market trends.
- > Market value of listed investments is \$48.6m , which with cash in hand of \$18.5m cash equates to 38.5 cents per share

Operations

Cairn Hill

- > Mineral lease (mining licence) granted
- > Trial Mining commenced and into ore zone
- > Key terms of rail access agreement finalised
- > 2008 drilling extends mineralisation further to west with wide widths (up to 30m at 0.74% Cu and 19m at 0.96% Cu) of higher grade copper mineralisation within the magnetite
- > Preliminary Phase 2 testwork encouraging

Nachingwea - Tanzania

- > C\$7m exploration program has commenced
- > Program includes 15,000m of drilling at Ntaka and other 2007 VTEM targets
- > 1000km² VTEM survey 30% complete
- > Additional areas of ultramafics mapped within new VTEM targets

Mibango - Tanzania

- > Field crews mobilised to Mibango and US\$4.9m field programme commenced



OPERATIONS REVIEW

AUSTRALIA

SOUTH AUSTRALIA

Mt Woods Project - Coober Pedy (IMX Resources 100%)

Cairn Hill Magnetite - Copper - Gold Project

Several milestones were achieved for the development of the Cairn Hill Magnetite Iron / Copper / Gold Project, located adjacent to the Stuart Highway and 55km south east of Coober Pedy in South Australia, during the last quarter.



Figure 1: Location of Cairn Hill Magnetite – Copper – Gold Project
Phase 1 – Magnetite-Copper-Gold ROM Ore

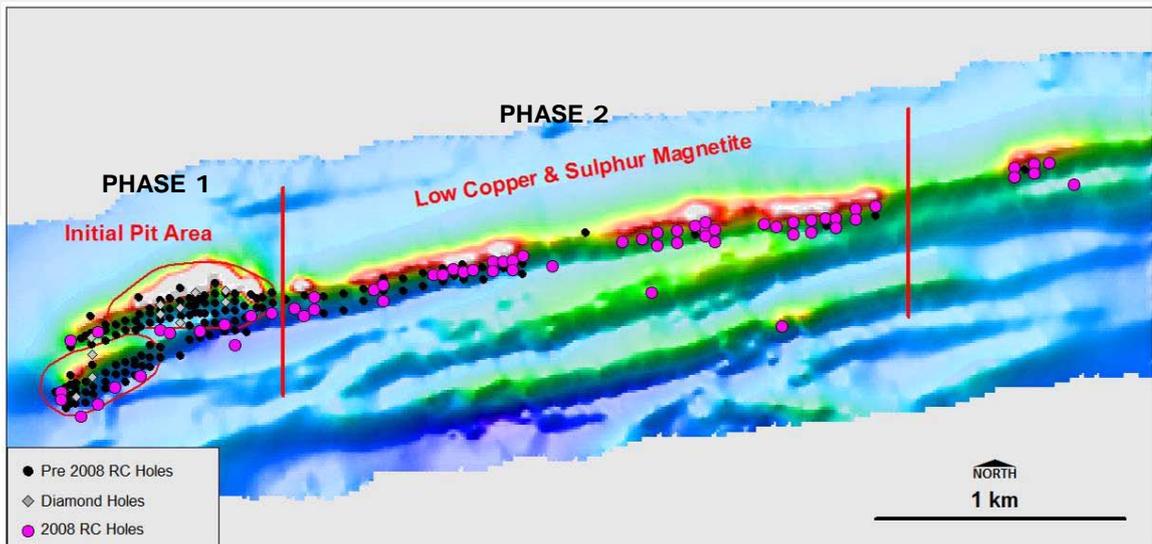


Figure 2: Phase 1 & 2 Project Areas

Mining Approvals and Agreements

The Mineral Lease 6303 (SA equivalent of a mining licence) of 8,029 hectares covering the Cairn Hill mine area and its eastern extensions was granted to Termite Resources NL (IMX Resources 100% owned operating subsidiary) on 17 April.

The Early Works Mining and Rehabilitation Plan (“EWMARP”) for the trial mining was approved by Primary Industry and Minerals SA (“PIRSA”) on 2 May.

The Miscellaneous Purposes Licences (MPL’s) for the haul road, rail siding and borefield is being finalised for submission to PIRSA. Work is well advanced on the requisite Mining and Rehabilitation Plan (“MARP”) for the mining activities and the haul road.

Agreements with the pastoral leaseholders covering the mining area, haul road and rail siding have been signed.

Project Implementation

Trial mining commenced at Cairn Hill in early June, with the stripping of the overburden completed by the end of June.



Figures 3, 4, 5 & 6: Cairn Hill Trial Mine (dark area in Figure 4 & 5 is exposed ore & blasted ore in Figure 6)



The overburden was “free dig” but was more compacted and cemented than had been anticipated – the implications for mine design will be evaluated over the next few weeks as the final amendments are made to the pit design. Potentially it may mean that less overburden needs to be removed as it is more competent than expected.

Once the drilling and blasting is completed the ore will be crushed to a top size of minus 40mm with a P_{80} of minus 28mm to evaluate the hardness of the ore and the crushing characteristics.

Some of the ore will be railed to Darwin to evaluate the impact of the 2,000km rail transport on the sizing of the ore delivered to the port and to gain a better understanding of the bottom dump characteristics after the journey where dry and wet season simulation will be used.

Negotiations with the below ground rail access provider on the Darwin corridor, Asia Pacific Transport, are progressing to an agreement where the key terms have been agreed for 1.5 train paths per week initially and once the rail infrastructure is upgraded to move to 4 trains paths per week. Genesee & Wyoming Australia has been chosen as the above ground rail provider and IMX Resources will shortly begin translating the detailed term sheet into a service provision agreement.

Terms have been agreed with the chosen ore haulage contractor and the agreement will be finalised once all the operational interfaces have been signed off by all interested parties.

IMX Resources and Jilin Tonghua Iron & Steel (Group) Mining Co Ltd (Tonghua Mining) have substantially finalised the sales offtake agreement. The last few legal related issues are being resolved with a view to signing the agreement in August.

Project Funding

Discussions continue with the relevant service providers regarding leasing arrangements for the infrastructure components of the project capital costs. Several financing options, including debt facilities, for the working capital and remaining portion of the capital requirements of the project are being pursued.

Cashflows

The recent Chinese iron ore settlements with Australian producers of a 79.88% increase for the fines benchmark iron ore price has provided a significant benefit to the economics of Cairn Hill. The pre tax operating cashflow from the Cairn Hill project has now increased from approximately \$100m (average \$18.0m per year) to approximately \$250m (average \$50.0m per year) for the initial 7.3mt of ROM ore in the initial pits, mined in just over 5 years. Iron ore prices and particular the US\$ exchange rate have material impacts on the cashflow potential of this project.

Project Timing

Trial mining and the crushing of the ore is expected to be completed by the end of



July.

Subject to the finalisation of the necessary mining and planning approvals, construction of port and logistics infrastructure, IMX Resources plans to commence the mining operation in early Q4 2008, with railing of product to the port commencing in late Q4 2008 and the first shipment in Q1 2009. The aim is to have all the rail infrastructure complete by Q2 2009 to enable full production.

Ports

A Heads of Agreement has been signed with the Darwin Port Corporation. The next step is to finalise the exact location of the stockpile area and finalise the design criteria for interaction with the common user facilities and the stacker. A lease agreement and operating agreement will then be negotiated with the Darwin Port Corporation.

As part of the sales offtake agreement, Tonghua Mining and IMX Resources have agreed on the cost recovery associated with the additional inland transport costs of shipping through Darwin. This agreement provides certainty for IMX Resources while delivering ROM ore to Tonghua Mining's processing plant at a lower cost than would have been possible through a current South Australian port.



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Tonghua Mining Processing Plant

Tonghua Mining has started the construction of its processing plant 13km from the port of Bayuquan in Liaoning Province in NE China, and 3km from the railway to Tonghua. Tonghua Mining is planning to have the plant ready for commissioning by the end of November.



Figures 7 & 8: Bayuquan Processing Plant Earthworks 7 June 2008 (Plant site on right side of hill in top photo)



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Figures 9: Bayuquan Processing Plant Earthworks week ending 11 July 2008

Analyses from 2008 RC Drill Program

A total of 15 holes for 2,640m were completed in the Phase 1 (Initial Pit) area at Cairn Hill in Q1. The drilling was designed to test the western and vertical continuity of the southern pit mineralisation, as well as depth extensions and vertical continuity of the northern mineralisation below the planned pits.

Analytical results from drilling (ASX 8 July 2008) have confirmed the continuation of magnetite/copper mineralisation to the west, and below the current pit extents of the south and north lodes. Highlights include **19m @ 52.10% Fe, 0.96%Cu and 0.35ppm Au** from 53m in CHRC137, and **30m @ 54.36% Fe, 0.74%Cu and 0.50ppm Au** from 73m in CHRC138. The results are currently being integrated into the existing mineralisation model and evaluated.

Lode	Hole	From (m)	To (m)	Interval (m)	Fe (%)	Cu (%)	Au (ppm)	P (%)	S (%)	Al (%)	Si (%)
South	CHRC137	51	70	19	52.10	0.96	0.35	1.26	2.26	0.56	4.11
	includes	53	63	10	49.71	1.21	0.43	1.25	2.81	0.53	4.22
South	CHRC138	64	94	30	54.36	0.74	0.50	1.05	2.14	0.53	5.10
	includes	73	88	15	57.75	0.98	0.74	0.87	2.39	0.55	3.89
		98	100	2	53.64	0.40	0.03	0.56	1.61	1.43	6.24
South	CHRC139	99	116	17	54.40	0.11	0.02	0.68	1.36	0.82	5.34
		122	150	28	45.85	0.22	0.28	1.98	2.94	1.00	7.84
		182	203	21	49.71	0.10	0.02	1.29	0.55	1.09	7.83
	includes	182	196	14	53.30	0.05	0.01	1.24	0.28	0.88	6.40
	includes	199	203	4	50.76	0.30	0.06	1.07	1.85	1.14	6.41
South	CHRC140	223	226	3	47.01	0.37	0.04	0.93	4.17	1.47	7.58
South	CHRC143	132	138	6	54.08	0.08	0.01	0.88	0.50	1.04	6.90
South	CHRC144	112	118	6	50.63	0.01	0.01	0.74	0.92	1.63	8.14
North	CHRC141	51	52	1	41.27	0.81	0.41	1.62	0.05	1.52	4.75
North	CHRC142	78	94	16	45.69	0.08	0.35	1.05	2.29	1.96	8.56
	includes	80	84	4	57.19	0.61	0.17	1.01	4.75	0.58	2.75
North	CHRC145	213	230	17	51.18	0.39	0.02	0.96	2.83	1.09	4.66
		235	244	9	62.43	0.25	0.12	0.60	1.14	0.57	2.36
North	CHRC146	179	180	1	49.23	0.09	0.01	0.74	2.19	2.25	6.79
		223	232	9	56.73	0.50	0.10	1.38	3.53	0.60	3.05
		241	246	5	47.46	0.18	0.03	0.93	2.47	1.66	8.12
North	CHRC147	34	37	3	51.93	0.03	0.01	2.27	0.02	0.76	1.85
		197	198	1	50.24	0.40	0.09	1.54	3.41	1.17	4.98
		201	208	7	53.49	0.40	0.11	0.64	2.36	1.53	5.95
		211	220	9	36.33	0.20	0.03	1.25	1.53	1.89	11.85
North	CHRC148	130	131	1	49.69	0.00	0.00	1.10	0.03	2.18	7.42
		143	146	3	61.22	0.01	0.01	1.07	0.05	0.85	2.74
		169	179	10	47.38	0.01	0.01	1.45	0.77	1.08	8.27
North	CHRC149	146	147	1	32.53	0.06	0.01	0.78	1.33	3.39	15.86
		165	168	3	55.95	0.11	0.02	1.58	1.67	0.79	3.49
North	CHRC150	83	86	3	51.66	0.02	0.00	0.37	0.51	1.81	7.67
North	CHRC151	27	29	2	51.71	0.04	0.00	0.18	0.03	0.60	1.81
		67	72	5	60.38	0.00	0.00	0.20	0.05	1.07	4.52

Phase 2 – Magnetite Concentrate

2008 RC Drill Program and Resource

A total of 45 RC holes for 4150 m (including 3 diamond pre-collars) were completed in the Phase 2 area in Q1. Final analytical results are awaited. Once received, work will commence on the resource estimation work for the Phase 2 area. It is expected that the resource will be completed around the end of the current quarter.

Metallurgical Testwork

Testwork has started on the core from the 3 diamond drill holes from the Phase 2 area. The metallurgical testwork is aimed at determining the maximum size at which a premium magnetite concentrate can be produced solely using magnetic separation and to provide the data to design a process flowsheet.

The preliminary testwork indicates that a high grade magnetite concentrate can be produced at a very coarse grain size. A dry magnetic separation step following



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crushing and the potential coarse grind size have the potential to significantly reduce capital and operating costs.

It is expected that the testwork will be completed around the middle of the current quarter.

Mount Woods Regional Program

Geochemical analyses from the five RC holes drilled in the first quarter of 2008 covering targets at Black Hills IOCG and Anomaly 9 PGE within the Kangaroo Dam licence are still awaited.

Mt Paisley

Geophysical and geological characterisation of the Mt Paisley drill hole completed in Q1 is ongoing. Suitable downhole geophysical logging equipment is still being sourced for the 1,683.7m hole.

TASMANIA

NW Tasmania Nickel Project (IMX Resources 96%)

Processing of the 594 line kilometre helicopter VTEM survey, flown in March over four target areas prospective for nickel, is being finalised.

Follow up ground EM is planned for this quarter with the aim of selecting drill targets for drilling later in the year.



TANZANIA

Nachingwea Nickel-Copper Project (IMX Resources 30%)

2008 Exploration Program

The board of Ngwena Limited, the Tanzanian JV company for the Nachingwea Joint Venture approved an expanded Cdn\$7 million 2008 exploration program to follow-up the exciting 2007 exploration results at the Tanzanian nickel – copper project.

Joint Venture partner Continental Nickel Limited (TSXV:CNI), in which IMX Resources has a substantial shareholding of 47.6%, is the operator of the joint venture and is funding the exploration.

The expanded exploration program will comprise diamond drilling (15,000m), borehole EM surveys, line-cutting and ground TDEM surveying (175 line km), a helicopter-borne b-field VTEM survey (5,600 line km), soil sampling, geological mapping and prospecting. The work program will focus on detailed drill testing in the Ntaka intrusion area to evaluate the recently discovered mineralised zones for potential resources and follow up the high priority target identified from the 2007 VTEM survey with the aim of identifying additional zones of mineralisation, and developing new regional nickel-copper sulphide exploration targets.

The magnetic and b-field VTEM survey, covering approximately 1,000km², commenced on 21 June is primarily aimed at advancing regional exploration on the Nachingwea tenements. Two of the survey blocks will cover new areas adjacent to the 2007 VTEM survey providing coverage over remaining untested and high priority geology, while a block will also be flown over the immediate Ntaka area. By the end of the quarter 1,581 line km (about 30% of the survey) had been completed. Preliminary site feedback indicates that the data is of good quality with very low noise levels. The survey is expected to be completed in late July.

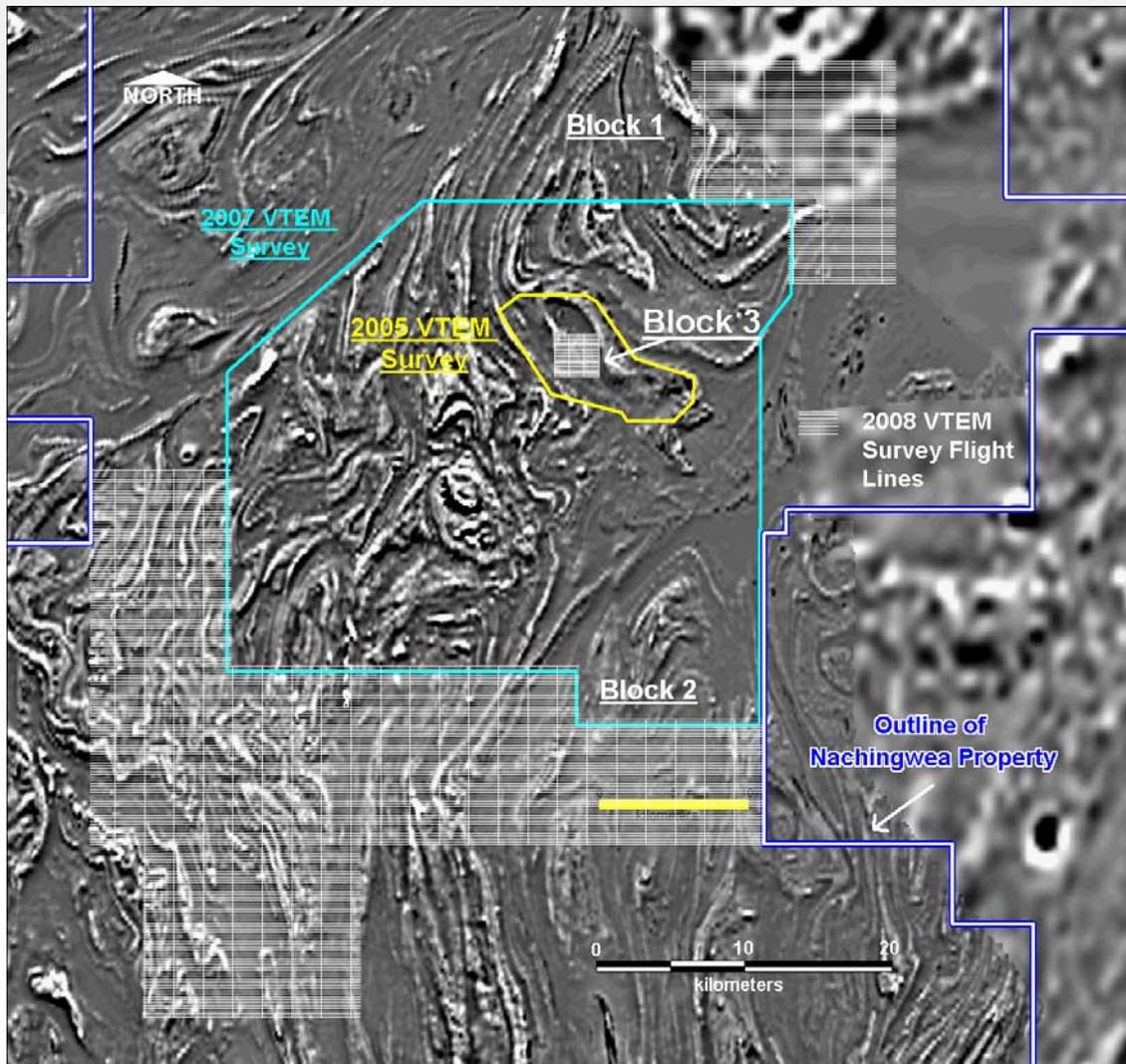


Figure 10: Location of 2008 VTEM survey blocks overlaid on first derivative magnetics

Two drill rigs are expected to mobilise to site in early July with the first drill in operation approximately one week after arrival. Both rigs will begin drilling at Ntaka with one rig moved onto regional targets later in the field season.

Field crews initiated ground follow-up of the 2007 VTEM survey targets in late May and had field checked all high priority EM targets (Mbuti, Lihonja, Namkango, Lipuyu and Nangano – see Figure 7) by the end of June. In most cases the source of the EM anomalies cannot be explained due to limited outcrop exposure. Ultramafic rocks have now been mapped at the Mbuti target, located ~ 15km northeast of Ntaka.

Ground geophysical grids have been planned for the Mbuti target as well as the Lihonja and Namkango targets where ultramafic rocks are known from past work

carried out by IMX Resources. Regional geochemical soil sampling over selected 2007 VTEM anomalies is expected to begin in late July.

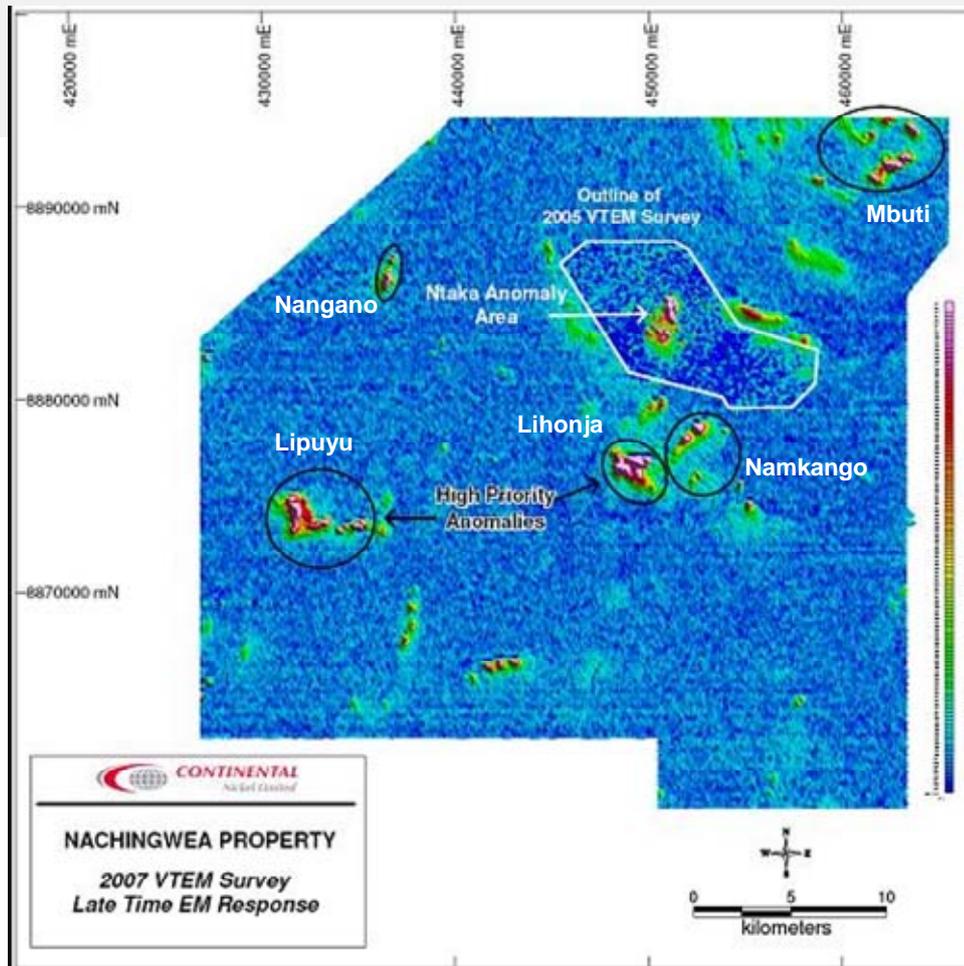


Figure 11: New conductors from 2007 VTEM program

Luwumbu Project (IMX Resources 90%, Albidon 10%)

During the quarter considerable effort has been made to understand the regional geological setting of the Luwumbu area. The project lies within one of the most poorly documented and geologically constrained regions of Palaeoproterozoic to Mesoproterozoic rocks in central southern Africa. To date this work has focused on collating and interpreting what published data is available.

With the cessation of the wet season, field activities have now commenced with reconnaissance mapping and sampling being undertaken in the remote southern area of the project.



Mibango Nickel Project (IMX Resources 100% - Lonmin earning 65%)

The Mibango Project is a joint venture between IMX Resources and Lonmin which enables Lonmin to earn a 60% interest from IMX Resources by funding all exploration to the completion of a feasibility study and a further 5% by arranging IMX Resources share of non-recourse development finance.

The 2008 exploration budget is US\$4.9 million, including 9,000m of diamond drilling.

Lonmin has mobilised to Mibango and re-commenced ground EM over the priority targets delineated by the 2007 airborne VTEM survey. To date 11 drill targets have been delineated. Two drill rigs have been contracted, however the arrival of the first rig has been delayed by an accident on the road which damaged the truck carrying the rig.

MOZAMBIQUE

Mozambique Nickel-Copper-PGE Project (IMX Resources 100%)

During the quarter, ongoing assessment of the field mapping and geochemical sampling results from the 2007 field program have enabled a re-evaluation and re-ranking of a number of potential nickel-copper-PGE targets. As a result, 3 granted licences have been relinquished while an additional 4 new prospecting licence applications covering 226 km² in western, northern Mozambique were submitted.

Field staff have been mobilised to northern Mozambique with reconnaissance geological mapping and sampling set to commence by early July. Initial field work will focus on the ultramafic complex identified during Q1 where sample MR9 returned up to **10.2% Cr**, **10.0ppm Pd** and **0.33ppm Pt**.

INDIA

No field work was undertaken pending processing and granting of tenements.



CORPORATE

Call of Partly Paid Shares

As part of the move to change IMX Resources from an NL to a Limited company, the company has called up its partly paid shares to enable this conversion.

The call was made on 10,284,589 partly paid shares and prior to the auction 6,780,007 partly paid shares were paid up. The balance of 3,504,582 partly paid shares were auctioned on 30 June with 2,654,582 shares being purchased at an average price of 54.9 cents per share. 850,000 partly paid shares were passed in at the auction and will be cancelled subject to shareholder approval. The total funds raised from the call on the partly paid shares was \$4,241,432.

Investments

IMX Resources major listed investments stood at \$48.6m at the end of the quarter, with the 33 million Uranex shares held by IMX Resources valued at \$13.5m (UNX:ASX price \$0.41 per share), and the 14.3m Continental Nickel shares held by IMX Resources valued at \$35.1m (CNI:TSXV price Cdn\$2.40 per share).

This valuation excludes the A\$27.9m see-through value of the 30% held by IMX Resources in the joint venture company holding Nachingwea.

At the end of the quarter IMX Resources had \$18.5m in cash.

A handwritten signature in black ink, appearing to read "D. McBain", with a horizontal line underneath the name.

DUNCAN McBAIN
MANAGING DIRECTOR



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Information in this report relating to the Nachingwea exploration results is based on data compiled by Patricia Tirschmann who is a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of Manitoba and who is a full-time employee of the Continental Nickel. Patricia Tirschmann 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. Patricia Tirschmann consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Mibango exploration results is based on data compiled by Stephen Lea who is a Member of the South African Council for Natural Scientific Professions (SACNASP), and who is a full-time employee of Lonmin Plc. Stephen Lea 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. Stephen Lea consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to other 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.

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