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## **Mt Woods Iron Ore Project Update**

South Australian miner and resources developer, IMX Resources Limited (ASX:IXR) is pleased to report that analytical results from the diamond drilling programme completed at Snaefell and Fitzgerald Dam within the Mt Woods tenements near Coober Pedy, South Australia in late 2009 were received. This follows delays associated with contract core cutting and sampling services.

Significant intercepts of iron mineralisation were returned from the 394m diamond hole at Snaefell, 15km SW of the Cairn Hill magnetite-copper-gold mine. Wide intervals of greater than 25% iron mineralisation were intercepted (Table 1).

As previously reported from RC drilling, the Snaefell iron ore prospect comprises at least 250m vertical depth of iron-rich rocks over a strike length of more than 3km (ASX: 29 September, 12 and 27 November 2009). Diamond hole SFD001 targeted the centre of the 'Core Zone' of the magnetite-mineralised part of the Snaefell prospect and intersected thinly-banded gneiss with layers containing two types of crystalline iron oxide minerals, magnetite and specular hematite, and, closer to surface in the partly weathered zone, non-crystalline earthy hematite (Figure 1). It is estimated that about 40% of the rock is iron oxide in the ratio 80% magnetite to 20% hematite. The distribution of iron ore types is caused by magnetite partially weathering to earthy hematite within the upper approximately 100m of the system. Specular hematite occurs as a primary (metamorphic) ore mineral along with magnetite to a depth of about 250m, below which magnetite is the predominant iron oxide mineral.

Snaefell metallurgical testwork has commenced with initial Davis Tube test results indicating that it is possible to produce a 68-70% Fe magnetite concentrate. The ongoing metallurgical testwork is investigating flowsheet options that could produce a saleable magnetite concentrate. The key criteria are to minimise the capital and operating cost while optimising the weight recoveries.

An RC drilling programme is scheduled for the December quarter as part of a resource upgrade. This drilling will also include some diamond core holes for more definitive metallurgical testwork.

Hole	From (m)	To (m)	Interval (m)	Fe%	
<b>SFD001</b>	44.10	80.75	<b>36.65</b>	<b>32.53</b>	
	84.00	86.00	2.00	<b>30.90</b>	
	90.00	105.00	15.00	28.47	
	108.70	111.00	2.30	<b>30.40</b>	
	118.00	120.00	2.00	25.70	
	126.00	127.20	1.20	<b>32.17</b>	
	129.00	144.00	15.00	26.88	
	146.00	169.00	23.00	28.34	
	184.00	193.00	9.00	28.05	
	198.00	199.00	1.00	<b>30.87</b>	
	201.10	202.00	0.90	27.13	
	204.50	212.90	8.40	<b>31.99</b>	
	<i>includes</i>	206.00	211.20	5.20	<b>39.11</b>
		221.30	271.50	<b>50.20</b>	<b>30.60</b>
273.90		281.10	7.20	28.70	
283.00		286.00	3.00	27.18	
348.90		351.00	2.10	27.37	
353.00		356.00	3.00	<b>31.63</b>	
380.90		382.00	1.10	<b>30.80</b>	
387.00		389.25	2.25	26.84	
	393.00	394.00	1.00	25.23	

Table 1. Snaefell Fe Results using a >25% Fe cutoff (Fe results were determined by XRF fusion analysis)

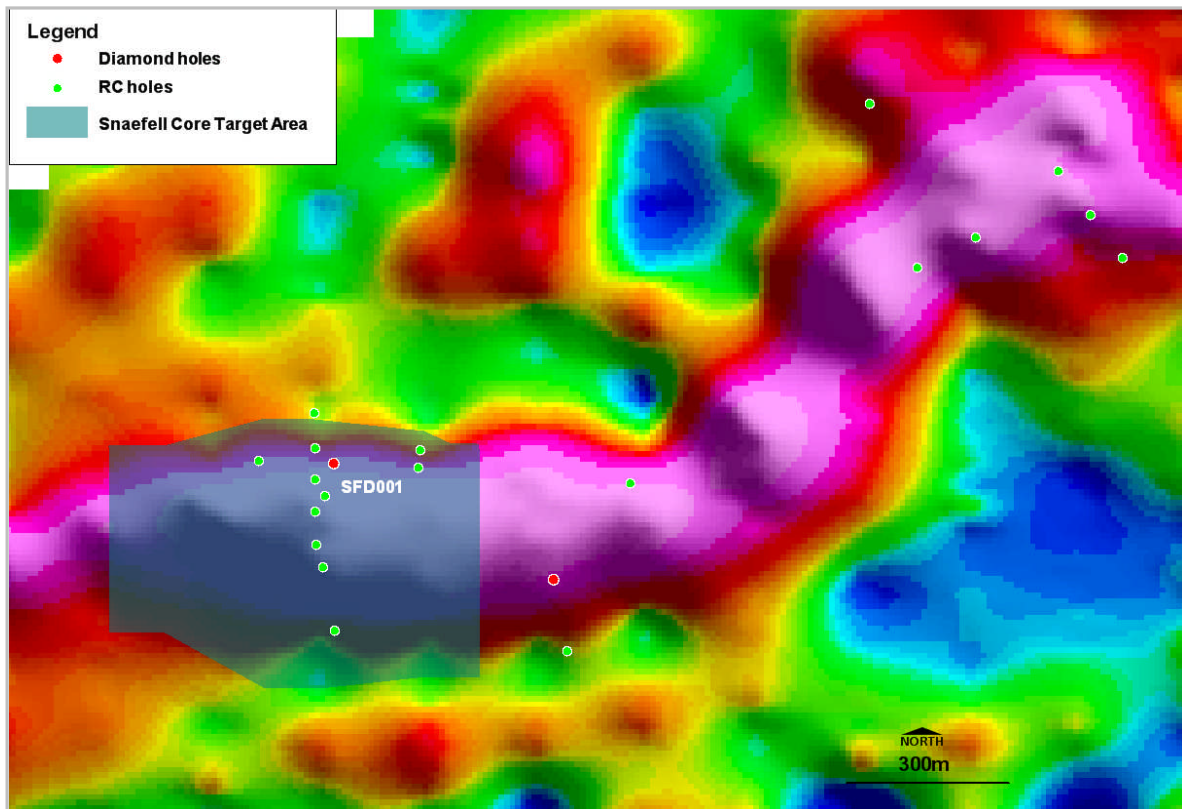
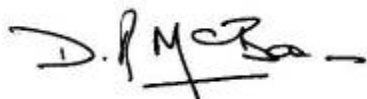


Figure 1. Snaefell core target area and drillholes on 1VD gravity image

In addition to the diamond drilling at Snaefell, three other diamond holes were also completed in 2009 at the Black Hills prospect and the Aquila and Fitzgerald Dam targets.

At Fitzgerald Dam, a single diamond tail was completed to follow-up magnetite-rich gneisses that were intersected in MWRC073 136m @ 30.32% Fe (ASX: 4 November 2009). Although hole MWRC074 was extended as a diamond tail, no rocks with intervals containing more than 30% magnetite similar to those in MWRC073 were intersected. Additional work is required to locate the down-dip extensions of the magnetite-rich rocks intersected in MWRC073.



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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 \$110m.

IMX is an active diversified mining and exploration company with projects in South Australia, Tasmania, Tanzania and Mozambique, 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 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 shareholders.

Subject to the successful completion of the terms of the Sichuan Taifeng HOA, IMX will own 50% of the Cairn Hill project, 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. Phase 1, which has recently commenced mining, is a DSO magnetite project. Testwork indicates that 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 Jilin Tonghua Iron & Steel (Group) Mining Co Ltd for the DSO magnetite production. Beyond Phase 1, preliminary metallurgical testwork has been completed on Phase 2 of the project targeted at producing a premium grade magnetite concentrate, with the calculation of the resource for this phase in progress.

IMX owns 100% of the iron ore rights on the Mt Woods tenements where besides the potential of Phase 3 magnetic anomalies outside ML6303, recent drilling has intersected magnetite to the south and west of Cairn Hill with target mineralisation of 320-550mt @ 25-35% Fe based on the drilling, ground gravity and aeromagnetics.

The immediate upside for Cairn Hill / Mt Woods remains the definition of further resources to support a long term 3-5mtpa iron ore operation.

IMX has a Joint Venture with OZ Minerals for the non-iron ore rights on its Mt Woods tenements. OZ Minerals has 51% of the joint venture and must spend \$20m over 5 years to retain this interest. OZ Minerals is targeting Prominent Hill style copper / gold mineralisation.

In Tanzania, IMX holds 100% of the Mibango nickel / copper / platinum project.

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 37.2% of Continental Nickel and retains a 30% free carried interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 30.1% of Uranex (ASX:UNX), a spin-off company from IMX, which listed on the ASX in October 2005 and is dedicated uranium company with assets in Australia and Tanzania.

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