



IMX Resources Limited  
ABN 67 009 129 560  
Level 2, Unit 18, 100 Railway Road  
Subiaco WA 6008 Australia  
PO Box 879  
Subiaco WA 6904  
T +61 8 9388 7877  
F +61 8 9382 2399  
E info@imxres.com.au  
W www.imxresources.com.au

11 August 2010

## Wide Nickel Sulphide Zone Discovered at Nachingwea Ni-Cu JV, Tanzania

IMX Resources Limited (ASX:IXR) is pleased to announce the discovery of a wider Ni-Cu sulphide mineralised zone known as "Sleeping Giant" at the Nachingwea project in southern Tanzania. The project is a 30:70 Joint Venture between IMX Resources Limited ('IMX') and Continental Nickel Limited ('CNI') of Canada.

Best intersections include:

- **6.61% Ni, 0.82% Cu and 0.13% Co over 1.2m from a wider interval grading 80m at 0.64% Ni, and 0.12% Cu in hole NAD07-023 EXT**
- **62.8m at 0.61% Ni and 0.13% Cu in hole NAD07-024**

The Sleeping Giant Zone (formerly F Zone) is located on the western side of the Ntaka Hill Intrusion and was first drilled in 2007 targeting a 225m long, moderately conductive EM anomaly to the southwest of the NAD013 high grade zone. The original targeted conductor was explained by graphite and weak sulphide however a wide zone of disseminated sulphide mineralisation was also intersected in NAD07-024 (ASX 11 December 2007). Additional core sampling of hole NAD07-024 in 2010 has now expanded the original 31.8m intersection to **62.8m at 0.61% Ni and 0.13% Cu from 396.2m** including a 0.8 m interval of net textured sulphide mineralisation grading **3.09% Ni and 2.08% Cu** as previously reported.

Initial 2010 drilling at Sleeping Giant was designed to test the strike extent of the zone with 2 holes completed over a 200m strike length. The up plunge northerly strike extent of the disseminated Ni-Cu sulphide mineralisation in NAD07-024 was tested by deepening 2007 hole NAD07-23 EXT by 211.7m. The extended hole successfully intersected the zone 75m to the north with **80m at 0.64% Ni, and 0.12% Cu intersected from 338m** which included a higher grade massive sulphide zone of **1.2m at 6.61% Ni, 0.82% Cu and 0.13% Co**. The second hole NAD10-211, intersected a 53.5m interval of disseminated mineralisation 120m to the north. Assays are pending.

The Sleeping Giant disseminated Ni-Cu sulphide mineralisation remains open in all directions. An additional hole targeting shallower mineralisation up dip to the east is currently in progress.

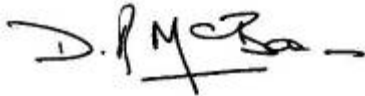
A full discussion of results including a drillhole location plan can be viewed in the CNI release to the TSXV attached below.

To date 30 holes for a total of 3,791 metres of diamond core have been completed at Ntaka Hill as part of a planned 2010 core programme. The diamond drilling at Ntaka is expected to be completed by mid August, to be followed by a regional exploration RC programme.

### **Nachingwea Holding Structure**

The IMX Resources interest in the Nachingwea project are held indirectly through a 37.2% interest in Continental Nickel, which holds a 70% interest in the Tanzanian JV company, Ngwena Limited. Ngwena is the licence holder for the Nachingwea tenements. IMX Resources also holds a 30% direct interest in the project through a 30% interest in Ngwena.

IMX Resources 30% interest is free carried up to the completion of a feasibility study or the expenditure of Cdn\$15m whereby Continental Nickel can earn an additional 5% interest. Continental Nickel is expected to reach the Cdn\$15m expenditure threshold during 2010 at which time IMX Resources will dilute to 25% of the project and will commence funding the JV on a pro-rata basis.



**DUNCAN MCBAIN**  
**MANAGING DIRECTOR**

For further information, please contact:

Duncan McBain  
Managing Director  
Tel: +61 8 9388 7877  
E: [dmc bain@imxres.com.au](mailto:dmc bain@imxres.com.au)

**Investor Relations:**  
Warrick Hazeldine  
Purple Communications  
Tel: +61 8 9485 1254  
E: [whazeldine@purplecom.com.au](mailto:whazeldine@purplecom.com.au)

## 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 \$100m.

IMX is an active diversified mining 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 HOA, IMX owns 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 is currently under development, 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 recently formed a Joint Venture with OZ Minerals for the non-iron ore rights on its Mt Woods tenements. OZ Minerals will have 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.

Visit: [www.imxresources.com.au](http://www.imxresources.com.au)

**Press Release**

**Continental Nickel Intersects an 80.0 Metre Wide Interval of Nickel Sulphides grading 0.64% Nickel and 0.12% Copper from the New “Sleeping Giant” Zone on the Nachingwea Nickel Project in Tanzania**

Toronto, Ontario (August 10, 2010): Continental Nickel Limited (TSXV: CNI) (“Continental” or “CNI” or the “Company”) is pleased to announce that it has intersected a wide zone of nickel-copper sulphide mineralization that represents a new zone at Ntaka Hill on the Nachingwea nickel-copper sulphide project (“Nachingwea”) in Tanzania. An 80.0 metre wide zone of disseminated sulphides grading 0.64% nickel and 0.12% copper, including a higher grade interval of 0.80% nickel and 0.16% copper over 50.0 metres and a narrow massive sulphide zone grading 6.61% nickel and 0.82 % copper over 1.2 metres, was intersected in the extension of diamond drill hole NAD07-023 EXT. The project is a 70:30 Joint Venture between CNI and IMX Resources Limited (“IMX”) of Australia.

The Company is well advanced on its \$4 million 2010 exploration program at Nachingwea which includes 9,000 metres of diamond and reverse circulation (“RC”) drilling. Diamond drilling commenced at Ntaka Hill in June, 2010 and 30 drill holes totalling 3,791 metres have been completed to date. Reported assay results now include five drill holes totalling 651.6 metres, including drill hole NAD07-23 EXT reported herein. Assay results are provided below as Table I. A location figure may be viewed using the link provided with this release. Further assay results will be reported as they are received, compiled and validated. Diamond drilling continues at Ntaka Hill and is expected to be completed by mid August. Following completion of the Ntaka drill program, a reverse circulation drill program is planned to commence in October to test priority targets developed from the ongoing regional exploration program.

**NAD07-023 EXT**

Drill hole NAD07-023 EXT, which is located on the western side of the Ntaka Hill Intrusion, was deepened 211.7 metres from an original down hole depth of 223.9 metres. The hole was targeting a potentially wide interval of disseminated sulphides interpreted to exist below the depth of the original drill hole based on previous results obtained in drill hole NAD07-024 (see Press Release December 10, 2007). NAD07-024 intersected a wide zone of disseminated sulphide mineralization grading 0.73% nickel and 0.15% copper over 31.8 metres at a down hole depth of 396.2 metres. Additional sampling of un-sampled drill core from hole NAD07-024 expanded the original reported interval to 62.8 metres grading 0.61% nickel and 0.13% copper, including 0.80% nickel and 0.17% copper over 20.8 metres.

Drill hole NAD07-023 EXT was deepened to test for an extension of this sulphide zone 75 metres up plunge to the north of drill hole NAD07-024. It intersected a wide zone of disseminated sulphide mineralization, comprised of pyrrhotite, pentlandite and chalcopyrite, grading 0.64% nickel and 0.12% copper over 80.0 metres, including a higher grade interval of 0.80% nickel and 0.16% copper over 50.0 metres and a 1.2 metre interval of massive sulphide grading 6.61% nickel and 0.82% copper.

Based on the encouraging results, two additional drill holes were planned, one of which has been completed. Follow up drill hole NAD10-211, positioned to explore the mineralized zone 120 metres to the north and up plunge of hole NAD07-23 EXT, intersected a 53.5 metre interval of disseminated mineralization similar to that observed in NAD07-23 EXT, starting at 317.6 metres down hole. Included within the mineralized zone are core intervals up to 9.0 metres of stringer to net-textured sulphide mineralization near the base of the zone. Assays are pending for this drill hole.

A second follow up drill hole, positioned to drill approximately 100 metres up dip to the east of hole NAD10-211, is currently in progress.

With mineralization now intersected in three drill holes over a nearly 200m length and open in all directions, the Company believes that it may have discovered a potentially large disseminated nickel sulphide zone. Initial drill results to date suggest grades similar to deposits such as the Mount Keith nickel deposit in Australia, the world's largest open pit nickel sulphide mine, currently being mined by BHP Billiton and Mirabela Nickel's Santa Rita nickel deposit in Brazil which is currently ramping up to full production. Upon completion of the remaining follow up drill hole and receipt of all outstanding assays, further drilling will be considered with the objective of exploring for extensions up dip and up plunge, closer to surface. For future reference this new sulphide zone will be referred to as the "Sleeping Giant" Zone.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "the discovery of this wide zone of disseminated nickel sulphide mineralization with grades similar to deposits such as Mount Keith and open in all directions is a very exciting. Although more drilling is required to fully explore the Sleeping Giant Zone, it has potential to significantly add to our Mineral Resource Inventory at Ntaka Hill.

### **Qualified Persons**

The quality control, technical information and all aspects of the exploration program are supervised by Patricia Tirschmann, P. Geo., Vice President, Exploration for CNI. The information in this release was prepared under the direction of Craig MacDougall, P. Geo., President and CEO for Continental Nickel Limited. Both Ms. Tirschmann and Mr. MacDougall are qualified persons as defined by National Instrument 43-101.

### **Quality Control**

The drilling was completed by Tandril Limited of Tanzania. Drill core samples (NQ) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes. Samples are generally 1.0 metre intervals or less at the discretion of the site geologists. Sample preparation is completed at the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps are sent by courier to ALS Chemex analytical laboratory in Vancouver, Canada. Blank samples and commercially prepared and certified Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one per sample batch. Analyses for Ni, Cu and Co are completed using a peroxide fusion preparation and ICP-AES finish (Analytical Code ME-ICP81). Analyses for Pt, Pd, and Au are by fire assay with an ICP-AES finish (Analytical Code PGM-ICP23).

## **About Continental Nickel**

Continental Nickel Limited is focused on the exploration, discovery and development of nickel sulphide deposits in geologically prospective, but under-explored regions globally. The Company's key asset is its 70% interest in the Nachingwea project in Tanzania, where NI 43-101 Mineral Resources have defined 40,000 tonnes of contained nickel, and ongoing exploration is underway to evaluate the potential to expand these Resources. The Company's interest in the Nachingwea project will increase to 75% upon the completion of exploration expenditures totalling \$15 million, which is expected to be confirmed in the current quarter.

The Company also has an option joint venture on the St. Stephen project in New Brunswick, Canada where it has recently completed a diamond drill program and is awaiting assay results.

Continental Nickel Limited has 38,943,664 shares issued and outstanding (46,211,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with over C\$12.1 million in the treasury.

On behalf of

### **Continental Nickel Limited**

*"Craig MacDougall"*

President & Chief Executive Officer

### **For further information please contact:**

#### **Continental Nickel Limited**

Craig MacDougall, P. Geo.

President and CEO

Tel: (905) 815-0533

Fax: (905) 815-0532

E: [info@continentalnickel.com](mailto:info@continentalnickel.com)

Web site: [www.continentalnickel.com](http://www.continentalnickel.com)

Marguerite Manshreck-Head

Investor Relations

Tel: (613) 395-4487

CAUTIONARY STATEMENT: The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact included in this release including, without limitation, statements regarding potential mineralization, resources and reserves, exploration results, future plans and objectives of Continental Nickel Limited, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Continental Nickel Limited's expectations are the risks detailed herein and from time to time in the filings made by Continental Nickel Limited with securities regulators.

Information in this announcement relating to exploration results is based on data collected under the supervision of or compiled by Patricia Tirschmann, P. Geo., who holds the position of Vice President, Exploration and is a full time employee of Continental Nickel Limited. Ms. Tirschmann is a registered member of the Association of Professional Geoscientists of Ontario and has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms. Tirschmann consents to the inclusion of the data in the form and context in which it appears.

**Table I: Summary of Recent Assay Results – Sleeping Giant Zone, Nachingwea Project, Tanzania.**

Drillhole	Location East/ North UTM:WGS84	Az / Dip	Length (m)	From (m)	To (m)	Interval (m)	% Ni	% Cu	% Co	
<b>Sleeping Giant Zone, Ntaka Hill</b>										
NAD07-023 EXT	450103mE 8883260mN	050 / -85	435.5	338.0	418.0	80.0	0.64	0.12	0.02	
				Incl:						
				343.0	393.0	50.0	0.80	0.16	0.02	
				383.7	384.9	1.2	6.61	0.82	0.13	
NAD07-024	450089mE 8883184mN	050 / -85	484.6	396.2	459.0	62.8	0.61	0.13	0.02	
				Incl:						
				396.2	417.0	20.8	0.80	0.17	0.02	
				433.5	434.3	0.8	3.09	2.08	0.09	
NAD10-211	450010mE 8883400mN	090 / -67	392.7	317.6	371.1	53.5	*	*	*	

Note:

NAD07-23 EXT deepened 211.7 metres from 223.9 metres.

NAD07-024 – re-reported with assay results from additional sampling

\* - Assays Pending

Intervals represent core lengths, not necessarily true widths.

Pt, Pd and Au assay results are not reported because in general, they are less than 1.0 g/t on a combined basis.

NSA – No Significant Assays;

