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Continental Nickel Increases its Interest in the Nachingwea Nickel Sulphide Project in Tanzania to 75%

IMX Resources Limited (ASX:IXR) is pleased to confirm that it has received notice from its joint venture partner on the Nachingwea Nickel Sulphide Project in Tanzania, Continental Nickel Limited (CNI), that total aggregate expenditures have reached C\$15 million. As a consequence of reaching this milestone, CNI's interest in the Nachingwea Project has increased by 5% to 75%.

It is IMX's intention to now fully fund its 25% interest in the Nachingwea Project through to development and to continue to participate in this exciting project.

Further details of the terms of the Shareholders Agreement between IMX and CNI are detailed in the CNI's press release which has been attached below.

Nachingwea Holding Structure

The IMX interest in the Nachingwea project are held indirectly through its 37.2% interest in CNI, and directly through its shareholding in the Tanzanian JV company, Ngwena Limited. Ngwena Limited is the licence holder for the Nachingwea tenements.

IMX currently holds a 30% interest in Ngwena Limited, however, due to the reaching of the above milestone and upon the completion of the appropriate paperwork this interest will decrease by 5%, to be in line with its 25% interest in the Nachingwea project.

A handwritten signature in black ink, appearing to read "D. McBain".

DUNCAN MCBAIN
MANAGING DIRECTOR

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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 \$115m.

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 Sichuan Taifeng HOA, IMX will own 51% 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.

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 25% interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 26.7% 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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Press Release

Continental Nickel Increases its Interest to 75% in the Nachingwea Nickel Sulphide Project in Tanzania

Toronto, Ontario (October 14, 2010): Continental Nickel Limited (TSXV: CNI) ("Continental" or "CNI" or the "Company") is pleased to announce that it has notified its joint venture partner IMX Resources Limited ("IMX") of Australia that it has completed total aggregate expenditures on the Nachingwea nickel sulphide project of C\$15 million, and as a consequence, its interest in the project has increased by 5% to 75%.

Under the terms of the Shareholders Agreement dated February 28, 2007 CNI was to sole fund expenditures on the Nachingwea Project until the sooner of either: a) completion of a feasibility study, or b) completion of expenditures totalling C\$15 million. Upon satisfying either a) or b), CNI's interest increases by 5% to hold a 75% interest in the project, and further expenditures are then to be shared by the joint venture partners pro rata to their respective interests.

Also, should CNI earn its increased interest by completing expenditures totalling C\$15 million without completing a feasibility study, it then has 90 days to elect to sole fund a feasibility study which, once completed, would increase the company's interest in the project a further 5% to hold 80%.

The Company does not intend to make this election within the 90-day election period because the decision to undertake a feasibility study will be contingent on the results of a revised Mineral Resource estimate and a scoping study which are anticipated to be commissioned upon completion of the 2010 exploration program. However, the Company may at a later date propose to sole fund a feasibility study, subject to agreement with IMX, for which its interest would increase by 5% to hold an 80% interest upon completion of the study.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "This is another major milestone for the Company and consolidates further its controlling interest in this exciting and fast developing nickel sulphide project. Our ongoing 2010 exploration drill program has, as reported, intersected extensions to sulphide zones which have potential to add to our current Mineral Resource inventory, and has also resulted in the discovery of a new, potentially large, nickel sulphide zone at Sleeping Giant for which additional drilling is being planned."

Qualified Persons

The information in this release was prepared under the direction of Craig MacDougall, P. Geo., President and CEO for Continental Nickel Limited. Mr. MacDougall is qualified persons as defined by National Instrument 43-101.

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 75% 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 also has an option joint venture on the St. Stephen project in New Brunswick, Canada where it has discovered new Ni-Cu sulphide zones from its recently completed 2010 diamond drill program.

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\$10.8 million in the treasury.

On behalf of

Continental Nickel Limited

"Craig MacDougall"

President & Chief Executive Officer

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Continental Nickel Limited

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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.