



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

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Sichuan Taifeng's Cairn Hill Investment Clears Final Hurdle - \$15 Million Received

South Australian iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce that \$15m of Sichuan Taifeng's total investment of \$23.989 million in Cairn Hill has now been received by the IMX Group.

Following Australian FIRB approval, Sichuan Taifeng has now received the Chinese NRDC approval for its investment in Outback Iron Pty Ltd (Outback Iron). Commerce Department approval has been received for the remittance of the first tranche of \$15m for its investment to acquire 49% of Outback Iron, the IMX subsidiary which holds the Cairn Hill operations and Cairn Hill ML6303.

The \$15m received represents the first tranche of the investment under the Heads of Agreement (HOA) signed in December 2009 (ASX Announcement 4 January 2010). The next tranche of \$5m is expected to be approved by the Department of Commerce shortly and the funds received around the end of October. Sichuan Taifeng have advanced to IMX \$3 million of this second tranche in advance of the Chinese approvals.

The final tranche of \$3,988,888 is due on 15 January 2011, six months after the final FIRB approval.

IMX Managing Director Duncan McBain said "With Sichuan Taifeng's strong commitment to the project, Cairn Hill Phase 1 is well on the way to its first shipment in early December."

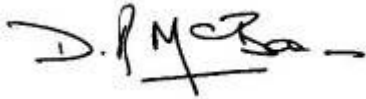
"IMX and Sichuan Taifeng will shortly commence the resource infill drilling as a first step of the Phase 2 feasibility study," he said.

Sichuan Taifeng are in the process of being issued with shares equivalent to a 49% equity holding in Outback Iron.

The board of Outback Iron will be reconstituted in accordance with HOA with the appointment of two representatives from Sichuan Taifeng and two representatives from IMX. In accordance with the HOA and FIRB / Department of Defence requirements one of the IMX representatives will be appointed Chairman of Outback Iron.

IMX has been funding the development and operations of the Cairn Hill project through intercompany loans to Outback Iron. Outback Iron will repay the intercompany loans incurred since 1 January 2010 from the funds received and due to be received from Sichuan Taifeng. The exact amount will be subject to verification, but is estimated to be approximately \$16.2m.

IMX / Sichuan Taifeng will commence the drilling program at Phase 2 in October as part of a strategy to fast track the Phase 2 feasibility study.



DUNCAN MCBAIN
MANGING DIRECTOR

For further information, please contact:

Duncan McBain
Managing Director
Tel: +61 8 9388 7877
E: dmc bain@imxres.com.au

Investor Relations:
Warrick Hazeldine
Purple Communications
Tel: +61 8 9485 1254
E: 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 \$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 HOA, IMX owns 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 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 signed a HOA 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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