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## **Second \$5 Million Tranche of Sichuan Taifeng's Cairn Hill Investment Received**

South Australian iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce that the second tranche of \$5m of Sichuan Taifeng's investment in Cairn Hill has now been received by the IMX Group.

The \$5m received represents the second tranche of the investment under the Heads of Agreement (HOA) signed in December 2009 (ASX Announcement 4 January 2010). This brings the total amount invested by Sichuan Taifeng to \$20m to acquire 49% of Outback Iron Pty Ltd, the IMX subsidiary which holds the Cairn Hill operations and Cairn Hill ML6303. Under the terms of the HOA the final tranche of the investment of \$3,988,888 is due on 15 January 2011, six months after the final FIRB approval.

IMX Managing Director Duncan McBain said "While the regulatory approvals in Australia and China have taken longer than contemplated it has been very pleasing that IMX and Sichuan Taifeng have developed the working flexibility to enable the Cairn Hill project to be developed and be in a position where raiiling has already commenced and shipping is on track for early December."

The resource drilling at Snaefell (IMX 100%) is currently in progress, and resource drilling will commence shortly at Cairn Hill Phase 2 (IMX 51%). These are the first steps in the next phases for the iron ore in the Cairn Hill / Mt Woods area. The aim is to build on the successful development of Cairn Hill by expanding the operations, initially into Cairn Hill Phase 2.

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 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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