IMX RESOURCES LIMITED

ABN 67 009 129 560

Annual Financial Report

for the year ended 30 June 2010

Corporate Information

ABN 67 009 129 560

Directors
J C Jooste-Jacobs (Non-Executive Chairman)
D R McBain (Managing Director)
Song Yuan Gang (Non-Executive Director)
S B Hunt (Non-Executive Director)
A J Haggarty (Non-Executive Director)
J S Nitschke (Non-Executive Director)
Cao Xiangkui (Non-Executive Director)
C Yu (Alternative to Song Yuan Gang)

Company Secretary
A N Steers

Registered Office
Level 2, Unit 18, 100 Railway Road
SUBIACO WA 6008
Tel +61 8 9388 7877
Fax +61 8 9382 2399

Solicitors
Mizen + Mizen
69 Mount Street
WEST PERTH WA 6005

Share Register
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (08) 9315 0933
Facsimile: (08) 9315 2233

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Website Address
www.imxresources.com.au

ASX Code
IXR

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Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as "IMX" or the "Group") comprising IMX Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2010. IMX Resources Limited is a company limited by shares that is incorporated and domiciled in Australia.

DIRECTORS

The following persons were directors of IMX Resources Limited during the whole of the financial year and up to the date of this report:

J C Jooste-Jacobs

D R McBain

S B Hunt

A J Haggarty

J S Nitschke

C Xiangkui

Song Yuan Gang was appointed as a director and Chen Yu was appointed an alternate director for Song Yuan Gang both on 29 July 2010 and continues in office at the date of this report.

The names and particulars of the qualifications, experience and special responsibility of the director's in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Johann Christiaan Jooste-Jacobs, B.Acc., MBL., FCA, FAICD

Independent, Non Executive Chairman – Age 56 (appointed 12 August 2007)

Experience, expertise and directorships

Johann Jacobs has 30 years experience associated with the resources industry where he has managed established companies, acquisitions, expansions or start-up mining operations in Australia, South Africa and Indonesia. His more recent roles have included Managing Director of the ASX-listed coal producer CIM Resources Ltd, and Managing Director of the ASX-listed mineral sand developer Australian Zircon NL. Mr Jacobs holds various directorships in private resource focused companies active in Australia and internationally. On 4 August 2009 he was appointed as an alternate director in Uranex NL and was subsequent appointed a director and the Chairman of Uranex NL on 27 August 2010.

Special responsibilities

Chair of the Board
Chair of the Nomination and Remuneration Committee
Member of the Audit and Risk Committee

Interests in shares and options

971,908 ordinary shares in IMX Resources Limited
2,100,000 options over ordinary shares in IMX Resources Limited (Granted and approved by shareholders)
350,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

Duncan Robert McBain, B.Sc.(Hons) Geology

Executive Director, Managing Director - Age 57 (appointed 30 March 2006)

Experience, expertise and directorships

Duncan McBain has over 35 years experience associated with the resources industry in geological and analyst roles over a wide range of commodities working in Africa, Australasia and Asia. Most recently he was a Director, Corporate Finance, with Patersons Securities with whom he spent 10 years as a resource specialist. Prior to joining Patersons Securities he worked for 15 years for various Rio Tinto Group companies including Bougainville Copper, An Mau Steel and Kembla Coal & Coke.

In the past 3 years Mr McBain has been a director of Uranex NL 13 August 2007, but resigned 15 August 2007 when he became aware that a potential conflict of interest could arise. Mr McBain was appointed a director of Colonial Resources Ltd on 6 December 2006 and resigned on 30 June 2008.

Special responsibilities

Managing Director
Resigned as member of Audit & Risk Committee on 11 September 2007

Interests in shares and options

255,000 ordinary shares in IMX Resources Limited
3,750,000 options over ordinary shares in IMX Resources Limited (Granted and approved by shareholders)
500,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

Directors' Report

Stephen Brian Hunt, B.Bus (Mktng)

Independent, Non-Executive Director - Age 48 (appointed 3 July 2007)

Experience, expertise and directorships

Stephen Hunt has more than 20 years experience in the minerals marketing industry, 16 of which were gained at BHP. He was a director of Australian Zircon NL until 28 April 2006 and was appointed a director of Uranex NL on 27 August 2010, and has directorships in private resource focussed companies. Mr Hunt has not held a directorship in any other listed entity in the past three years.

Special responsibilities

Member of the Nomination and Remuneration Committee
Member of the Audit and Risk Committee

Interests in shares and options

150,000 ordinary shares in IMX Resources Limited
1,550,000 options over ordinary shares in IMX Resources Limited (Granted and approved by shareholders)
350,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

Anthony James Haggarty, MCom, ASA, FAICD

Independent, Non-Executive Director - Age 52 (appointed 29 January 2008)

Experience, expertise and directorships

Tony has over 30 years experience in the development, management and financing of mining projects and was co-founder and the Managing Director of Excel Coal Limited from 1993 to 2006. Prior to this he worked for BP Coal and BP Finance in Sydney and London, and for Agipcoal as the Managing Director of its Australian subsidiary. He is the non-executive Chairman of King Island Scheelite Limited and Managing Director of Whitehaven Coal Limited.

Special responsibilities

Chair of the Audit and Risk Committee
Member of the Nomination and Remuneration Committee

Interests in shares and options

7,064,522 ordinary shares in IMX Resources Limited
1,550,000 over ordinary shares in IMX Resources Limited (Granted and approved by shareholders)
350,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

Song Yuan Gang

Non-Independent, Non-Executive Director - Age 39 (appointed 29 July 2010)

Experience, expertise and directorships

Song Yuan Gang is the Chairman of privately owned Chinese company Sichuan Taifeng Group. Song Yuan Gang has grown Sichuan Taifeng into a successful diversified group with trading, real estate and mining divisions. Song Yuan Gang has not held a directorship in any listed entity in the past three years.

Special responsibilities

None.

Interests in shares and options

51,771,000 ordinary shares in IMX Resources Limited
500,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

John Stephen Nitschke, B.Eng (Hons), MSc, DIC, FAusIMM, GAICD

Non-Independent, Non-Executive Director - Age 57 (appointed 23 December 2009)

Experience, expertise and directorships

John Nitschke is a mining engineer with over 30 years experience in the resources industry. He was formerly EGM – Australian Operations at Oxiana. His experience also includes project management of surface and underground mines for MIM Holdings, optimisation of several projects for Normandy Mines and provision of high level technical and management support to operations and studies for various mining companies. Mr Nitschke is currently Executive General Manager - Projects & Technical Services at OZ Minerals and is a non-executive Director of ASX listed Toro Energy Limited.

Special responsibilities

None.

Interests in shares and options

500,000 options over ordinary shares in IMX Resources Limited (Approval to be obtained at upcoming AGM)

Directors' Report

Cao Xiangkui, MBA

Non-Independent, Non-Executive Director - Age 42 (appointed 12 March 2008)

Experience, expertise and directorships

Mr Cao has considerable experience in steel manufacturing and is Vice President of IMX's recently acquired off-take partner and largest shareholder, Jilin Tonghua Iron & Steel (Group) Mining Co Ltd (Tonghua Mining).

Mr Cao has worked for the Jilin Tonghua Iron & Steel Group for 20 years in a variety of roles ranging from environmental technician, Deputy Chief of No 3 Steel Making Plant at the Tonghua steelworks, Secretary of Board of Directors, and Director of Investment Department. Mr Cao was recently appointed Vice President of Jilin Tonghua Iron & Steel Group Mining Co. Ltd.

Special responsibilities

None.

Interests in shares and options

500,000 options over ordinary shares in IMX Resources Limited (Granted and approved by shareholders)

Chen Yu

Alternate Director (for Song Yuan Gang) - Age 28 (appointed 29 July 2010)

Experience, expertise and directorships

Ms Chen has considerable experience in the steel and steel trading industry and is currently the Deputy General Manager for the Sichuan Taifeng Group Co.,Ltd. Ms Chen has worked for the Sichuan Taifeng Group for over 10 years in a variety of senior management roles.

Special responsibilities

None.

Interests in shares and options

None.

COMPANY SECRETARY

Andrew Nicholas Steers, BCom, C.A. (Australia) (appointed 2 February 2010)

Andrew Steers has over 12 years of experience in accounting and finance roles, commencing his career with KPMG. In recent years Andrew has gained both corporate and company secretarial experience with local Australian and Australian listed mining companies as well as internationally operated and listed entities. Andrew is the Chief Financial officer of the Group.

Kimberley Graeme France, BCom, CPA, FCIS (appointed 3 July 2007, resigned 12 February 2010)

Kim France has over thirty years experience in Accounting and Finance mainly in managerial roles. Mr France was also the Chief Financial Officer up to 12 February 2010.

DIRECTORS' MEETINGS

The number of directors' meetings held (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Directors' Meetings		Meetings of Committees: Audit and Risk		Meetings of Committees: Nomination and Remuneration	
	A	B	A	B	A	B
Number of meetings attended:						
J C Jooste-Jacobs	14	14	3	3	2	2
D R McBain	14	14	*	*	*	*
S B Hunt	14	14	3	3	2	2
A J Haggarty	13	14	3	3	2	2
Cao Xiangkui	10	14	*	*	*	*
J S Nitschke	8	9	*	*	*	*
Song Yuan Gang	-	-	*	*	*	*
Chen Yu	-	-	*	*	*	*

Notes

A - Number of meetings attended. B – Number of meetings held during the time the director held office during the year

* - Not a member of the relevant committee

Directors' Report

The audit and risk committee comprises A J Haggarty (Chairman – appointed 23 April 2008), J C Jooste-Jacobs (appointed 11 September 2007) and S B Hunt (appointed 11 September 2007).

The nomination and remuneration committee was formed on 1 August 2008 and comprises J C Jooste-Jacobs (Chairman), S B Hunt and A J Haggarty.

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of:

(a) Prospecting and exploration for minerals

(b) Mineral extraction and production

In addition the Group also holds relevant interest, investments and joint venture, in other listed mining entities that are in the business of prospecting and exploration for minerals.

The following significant changes in the nature of the activities of the Group occurred during the year:

(a) Commencement of mineral extraction and production

REVIEW OF OPERATIONS

Information on the operations and financial position of the group and its business strategies and prospects is set out below:

Australian Based Operations

The Group has been heavily focussed on its Australian based activities during the year, with particular emphasis on the Cairn Hill Phase 1 Project and the Mt Woods Joint Venture with OZ Minerals.

Cairn Hill (IMX 100%, reducing to 51%)

The Cairn Hill Projects are located on ML 6303, approximately 55km's south east of Coober Pedy, South Australia.

Phase 1

Cairn Hill Phase 1 is the first of the South Australian iron projects that is being brought into production and comprises iron, copper and gold ore. The focus in the past year has been on obtaining the finance to bring Phase 1 into production. Late in December 2009, the Company announced that it signed a Heads of Agreement (HOA) with a private Chinese company, the Sichuan Taifeng Group (Sichuan Taifeng). The HOA provided for a placement to Sichuan Taifeng to represent 19.9% of the Company's outstanding ordinary shares and to purchase 50% of Outback Iron Pty Ltd (Outback), which is the parent entity of Termite Resources NL (Termite) the owner of ML6303. These outcomes were dependent upon obtaining Foreign Investment Review Board (FIRB) approval for the transaction. Conditional approval was obtained on 12 July 2010, with final approval on 15 July 2010. A condition of FIRB approval was that the Sichuan Taifeng holding in Outback be reduced from 50% to 49%.

The private placement to Sichuan Taifeng has been finalised and a total of $25 million was raised by the Company. This has enabled the Company to continue to sole fund the project and keep it on track for production during the 2010 calendar year. The final funding of $24 million to subscribe for new shares in Outback that gives Sichuan Taifeng a 49% equity interest in Outback is subject to the finalisation of the Chinese National Development and Reform Commission (NDRC) consent. The first $15 million is due immediately after the approval from NDRC, the second $5 million payment within 60 days of the FIRB approval and the balance within 6 months of the FIRB approval. Sichuan Taifeng will be issued the new shares in Outback once the first payment of $15 million has been received. Sichuan Taifeng is entitled to appoint two directors to a four person Outback board, where one of the IMX nominees will be appointed Chairman and will have the casting vote.

Funds loaned by IMX to Outback since 1 January 2010 will be repaid to IMX from the funds subscribed by Sichuan Taifeng to Outback.

During the year and subsequently Termite has made significant progress with pre-stripping and infrastructure development and the first ore blast was successfully completed in early June 2010.

The contract for the provision of mining, drill and blast, and crushing services was awarded to Exact Mining Services (EMS). EMS have continued mobilising additional plant and equipment to supplement the equipment previously mobilised as part of the project construction works that occurred earlier in the year. Sufficient equipment had been mobilised to allow the mine schedule to be achieved:

	2009/10
Mining Volumes	
- Waste (BCM)	595,084
- Total (BCM)	595,084
Ore (tonnes	-

Directors' Report

Since the end of the financial year mining of the ore has commenced with ore being delivered to the ROM pad. The primary and secondary crushers and ancillary stackers were mobilised towards the end of the year and commissioning of the crusher was completed towards the end of June. The crusher was commissioned using the uncrushed ore from the trial mining stockpile. The first production ore was crushed in late July.

Other infrastructure that has been completed includes the laydown and ROM pads, explosive magazines and bulk explosive storage area, site roads and water infrastructure. The permanent fuel farm has been installed along with temporary office and workshop facilities. Remedial work on the Cairn Hill – Rankin Dam rail siding haul road continued to bring the road up to a suitable standard to allow haulage to commence. The 1.55km loading siding at Rankin Dam was completed in March and the automatic signalling was installed prior to the end of the year.

Road haulage and train loading services are also to be provided under contract by EMS. Stony Desert Mining Services, a joint venture between EMS and the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation, will be awarded a contract or sub-contract, subject to finalisation of successful negotiations, for the maintenance of the haul road from the mine to the Rankin Dam rail siding.

Specialised Bulk Rail, a subsidiary of SCT Logistics, has been contracted to provide rail haulage and maintenance of the rail wagons. The Rail wagons are being leased from Gemco, a subsidiary of Coote Industries, who are providing 194 40 foot container wagons. Initially the rail operation will use an interim wagon, with the purpose built wagons from Gemco being progressively delivered from November 2010. SBR will run train paths to run up to 6 ore trains a week between IMX's Rankin Dam loading siding and Port Adelaide.

A leasing agreement has also been signed with Cronos for the lease of 3,050 custom built 20 foot containers for the rail transport and storage of the ore at Port Adelaide. Contracts have also been finalised with Wilhemsen for shipping services and AMDEL for analytical services.

The final agreement with Flinders Ports for the provision of port services at Outer Harbour at Port Adelaide is being finalised. A detailed Heads of Agreement was signed in May 2009.

The sales contract with Jilin Tonghua Iron & Steel Group (Mining) Co Ltd (Jilin Tonghua) is in the process of being modified to reflect the changes in the pricing mechanism for iron ore, in accordance with the terms of the sales contract.

Currently the Company is expecting Termite to make its first shipment in December of this year, however this timing is dependent upon the delivery of the custom built containers, which are being built in China, and the delivery of the rotary tipplers to Port Adelaide. The first 300 containers have arrived at Port Adelaide and it is expected the remaining containers will arrive in the coming month with deliveries expected every 2-3 weeks.

Phase 2

Cairn Hill Phase 2 (CHP2) is a magnetite only ore that has a potential for a low capital and operating cost project. Despite the attention being placed on the operations of Cairn Hill Phase 1, the Company has continued to work towards the development of a critical path in order to bring CHP2 into production concurrently with Cairn Hill Phase 1. The Company will be concentrating on further testwork and a feasibility study to ensure the most effective outcome for CHP2 is achieved.

Mount Woods Iron Ore Rights (South Australia) (IMX 100%)

Significant widths of iron ore mineralisation were intersected from RC drilling at four regional iron ore targets: Snaefell (magnetite and specular hematite), Bumblebee (Banded Iron Formation), Fitzgerald Dam (magnetite) and MW78 (magnetite). MW78 forms part of the Cairn Hill Phase 3 area.

The RC drilling results were integrated with detailed ground gravity, heli-magnetic survey data and specific gravity density measurements on core samples, to estimate possible exploration target tonnages for the Mt Woods area (in the table below).

Prospect/Target	Target Mineralisation	
	Tonnage Range#	Fe Grade Range
Snaefell		
Core Zone	70-100mt	28%-35%
Extended Area	200-300mt	25%-35%
Bumblebee & Fitzgerald Dam	50-150mt	25%-35%
Total	**320-550mt**	**25%-35%**

#NB: Target tonnage estimates are conceptual only. These figures are not resource estimates as defined by the JORC code (2004), as insufficient exploration has been conducted to define a Mineral Resource.

Table: Mt Woods Target Iron Ore Mineralisation

Directors' Report

These Fe grades and tonnages are comparable with most known magnetite deposits. The above target mineralisation estimates exclude any Cairn Hill iron ore mineralisation.

At Snaefell, 12km south-west of Cairn Hill, there is potential to further increase the mineralisation both laterally, and at depth with several holes ending in mineralisation. In addition, analysis of historical core confirmed this potential with new iron results demonstrating consistent grades and wide intervals that are similar to those reported from IMX exploration drilling 200m to the west, and 150m to the east. Metallurgical testwork commenced on the Snaefell deposit within initial Davis Tube test results indicating that it is possible to produce 68-70% Fe magnetite concentrate. The current metallurgical testwork is investigating flowsheet options that could produce a saleable magnetite concentrate. The Company's key criteria in its further assessment of this deposit will be to minimise the capital and operating costs while optimising the weight recoveries.

At Bumblebee, 15km south of Cairn Hill, the mineralisation appears to extend northeast for about 1200m, dipping to the northwest at a shallow angle. To date, two holes have been drilled into the target on a single line. Both holes returned consistent width and grades. In addition, anomalous copper up to **0.13%** was intersected at 221m in hole MWRC071, highlighting the presence of copper-gold mineralising fluids in the region.

The Fitzgerald Dam prospect is located 16km from the Cairn Hill mine haul road to the Rankin Dam rail loading loop, close to the Old Stuart Highway. Up to 136m of magnetite rich gneiss was intersected at shallow depths, returning grades up to 38% Fe.

Target mineralisation for Bumblebee and Fitzgerald Dam is shown in the table above

An RC drilling programme is scheduled to commence at Snaefell in Q2 FY2011 as part of a resource upgrade. This drilling will also include some diamond core holes for more definitive metallurgical testwork.

Mt Woods Non Iron Ore Rights (South Australia) (IMX 49%)

During the year the Company finalised the Mount Woods Joint Venture Agreement and the Minerals and Iron Ore Sharing Agreement that was agreed to under the Heads of Agreement signed with OZ Minerals Limited in November 2009. The Mt Woods Non Iron Ore Rights Project is a 49:51 joint venture between IMX and OZ Minerals, where OZ Minerals will spend a minimum of $4 million a year over the next five years for a total of $20m. If OZ Minerals fails to spend this amount it forfeits its entire 51% joint venture interest. OZ Minerals is the manager and operator of the JV.

The first phase of the Mt Woods JV exploration program was to complete a detailed Falcon gravity and aeromagnetic survey comprising approximately 13,341 line kilometres over the core Mt Woods JV project area. The program was completed almost a month ahead of schedule due to favourable flying conditions. Data processing is now underway to identify potential targets. Preliminary processed data is available, with final processing completed towards the end of the first quarter of the 2011 financial year.

Potential targets identified from the airborne surveys will be followed up with a combination of ground gravity, IP surveys and diamond drilling where warranted.

Diamond core drilled by IMX in late 2009 at the Black Hills Cu-Au prospect was delivered to OZ Minerals for evaluation and processing under the terms of the Mt Woods JV. The 336.5m diamond drill hole tested the centre of the main copper anomaly at Black Hills and intersected an interval containing minor disseminated chalcopyrite (copper sulphide).

Tasmania - NW Tasmania Nickel Project (IMX 96%)

A short diamond drilling programme to test 2007 VTEM conductor targets at Dunn's in northwest Tasmania was completed during the third quarter of the 2010 financial year. Three holes, including one abandoned collar, were completed for a total of 175.4m.

Drilling intersected sulphidic black shale at the first VTEM conductor target depth, explaining the anomaly. Given the similar stratigraphic positioning of the remaining VTEM conductors, which were subsequently confirmed to be outside the basic intrusions, the decision was made to not drill the remaining 2 conductors. Instead a single core hole was drilled to 62.4m to collect a fresh sample of a basic intrusion exposed by new forestry tracks. The intrusion (possibly dunite) appears to be strongly altered. Geochemical and microprobe results were received for the core samples drilled and confirmed the highly altered nature of the ultramafic identified from the drilling. Follow-up geochemical sampling is currently in progress.

At Dunns, elevated geochemical results were identified in areas of deeply leached soils providing some encouragement that the MMI technique will be an effective exploration tool. Follow-up soil and stream sampling is currently underway.

In the Tertiary volcanic and alluvial covered areas at both Dunns and Mt Lileah, the MMI results proved to be ineffective.

Directors' Report

Dingo Well Gold Project (IMX 100%)

Reassessment of the mineral potential of the Dingo Well area continued during the year with ongoing data compilation and the purchase of geophysical data including magnetics and radiometrics.

The area was initially selected to target shear zone-hosted gold mineralisation adjacent to, or within, the Keith-Kilkenny Tectonic Zone. The area is also prospective for nickel with the Murrin Murrin Nickel deposit located approximately 20km to the east.

Limited activities have occurred at this prospect, with the planned reconnaissance sampling and mapping programme being postponed during the year and now scheduled in the first quarter of the next financial year.

Tanzania

Nachingwea Nickel-Copper Project (IMX 30%)

The Nachingwea project is a 30:70 Joint Venture between IMX and TSXV listed Continental Nickel Limited (CNI), in which IMX has a substantial 37.2% shareholding, giving IMX a beneficial interest of 56% in the Nachingwea Project.

A budget of Cdn$4 million has been approved for the 2010 exploration program.

The field program commenced in mid May 2010. 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 in the first quarter of FY 2011.

The planned 33,504 line kilometre detailed aeromagnetic and radiometric survey over the Nachingwea tenements was completed in June. The preliminary data is being used to target mafic and ultramafic rocks. In association with follow up geochemistry this will provide targeting for reconnaissance RC drilling to follow up outside of the 30% of the Nachingwea tenements covered by VTEM. Previously geochemistry has proved very effective in conjunction with magnetics and EM in locating sulphides.

The highlights of the 2010 diamond drilling program at Ntaka are:

The intersection of high grade massive nickel sulphide mineralisation at H Zone:

- 1.10m at 15.93% Ni, 0.65% Cu, 0.20% Co from a wider 3.25m interval at 6.54% Ni and 0.30% Cu in hole NAD10-189
- 0.55m at 18.95% Ni, 0.26% Cu and 0.20% Co within a wider interval grading 6.0m at 2.45 % Ni and 0.15% Cu in hole NAD10-186

The discovery at Sleeping Giant Zone (formerly F Zone) of wide disseminated mineralisation:

- 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 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.

Mibango Nickel Project (IMX 100%)

Field exporation activities are now well underway at the Mibango Ni project with staff mobilised to site in late May and early June..

The 2010 exploration programme has been designed to define drill ready targets by the end of the field season. Exploration activities comprise geological ground thruthing, mapping, soil sampling and ground geophysics. To the end of June over 117 stream sediment samples had been collected at Mwese. This is the continuation of the 2009 sampling programme that was curtailed by the start of the rainy season. Samples will be dried, prepped and depatched for analyses in July. Ground truthing of prospective nickel targets is also well underway with over 65 target locations visited prior to the end of June, and soil sampling programmes planned where warranted.

As part of the IMX community engagement process, a health clinic staffed by a medic has been established for the field season at Mibango. The clinic has proven to be very popular with the local community with services being utilised by both staff and local villages in the remote area. The nominal fees charged for clinic services are being used to purchase equipment for the local school at Ikabulu village.

Mozambique Nickel-Copper-PGE Project (IMX 100%)

Exploration programmes have now been planned with field activities scheduled to commence in late July 2010 at Cabo Delgado and Milange.

Five areas have been identified for follow up from the 2009 geophysical survey at Cabo Delgado. This program will comprise stream sediment sampling and geological mapping to validate targets.

At Milange a programme of rock and soil sampling is planned to increase the 2009 sample density and better define prospective targets.

India

Due to the slow speed of the processing of the applications IMX acquired in India under the 2004 Sale, Purchase and Clawback Agreement with various Anglo American companies, IMX has given notice to Anglo American that it wishes to relinquish its rights to acquire the tenements from Anglo American, when they are granted.

IMX plans to review its other Indian licence applications, which have also been delayed for a long period of time, to determine IMX's strategy.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Year

The operating loss after income tax of the Group for the year ended 30 June 2010 was $8,708,730 (2009: Profit $279,592). Included in this loss figure is $3,933,549 (2009: $2,310,089) of exploration expenditure written off and $882,080 for the write down of surplus rail equipment held for sale.

Summarised operating results are as follows:	2010 $
Operating Revenues	-
Net Operating Costs	**(2,705,800)**
Gross Operating Loss	**(2,705,800)**
Exploration Expenses	**(3,933,549)**
Corporate and Administration Costs	**(2,227,157)**
Development Expenses	**(1,354,361)**
Other	**(123,270)**
Operating Loss before finance and tax	**(10,344,137)**

The activities of the Group have been self funded from existing cash resources, new capital raisings and other income including interest income from cash deposits. Major cash expenditures include initial mining operations of $2,705,800, exploration of $3,933,549 (2009: $2,213,008) and development and capital costs of the Cairn Hill Project of $5,524,964 (2009: $13,225,464). The net increase in cash resources during the year was $14,709,816 (2009: Decrease of $10,891,948).

All investments held in publicly listed companies are classified as available for sale assets and are re-valued each period based on the publicly traded price. At the 30 June 2010, the value of these were $12,787,113 (30 June 2009: $29,372,172), reflecting a decrease in value in the 6 months to 31 December 2009 of $8,855,741 and the 12 months to 30 June 2009 of $16,585,059 due to the continued poor performance of Uranex NL and Continental Nickel Limited.

Shareholder Returns

	2010	2009
Basic profit / (loss) per share (cents)	**(4.4)**	**0.2**
Diluted profit / (loss) per share (cents)	**n/a**	**0.2**

The diluted earnings per share is not disclosed as it is considered anti-dilutive.

Dividends

Up until the date of this report, no dividend has been declared or paid by the Company and the directors do not recommend payment of a dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

Directors' Report

Contributed equity increased by $24,223,708 (from $61,781,754 to $86,005,462) as the results of a number of private placements and the exercise of options granted under the IMX Resources Ltd Stock Option Plan. Details of the changes in contributed equity are disclosed in note 14 to the financial statements.

The net cash received from the increase in contributed equity was used to continue to fund prospecting and exploration activities and allowed the Group to commence mining activities at the Cairn Hill Project, including development and capital works. In addition to the increase in contributed equity IMX had received $4.1 million in advance of a private placement to Taifeng Yuanchuang International Development Co., Ltd. The shares relating to these funds were allotted by the company on 12 July 2010.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 12 July 2010 the Company issued 29,450,000 ordinary shares at a price of 48.4 cents per share. Taifeng Yuanchuang International Development Co., Ltd ("Taifeng") was issued 21,691,000 ordinary shares and OZ Minerals Investments Pty Ltd was issued 7,759,000 ordinary shares.

On 12 July 2010 the Company received Foreign Investments Review Board ("FIRB") conditional approval for the investment from Taifeng into IMX and Outback Iron Pty Ltd (the subsidiary that holds Termite Resources NL, the owner of ML 6303). On 15 July FIRB confirmed all the conditions for its approval had been met. The company expects to receive the first tranche of investment from Taifeng in Outback Iron Pty Ltd ("Outback") in mid September 2010. Under the Heads of Agreement between IMX and Taifeng and as a result of the payment of these monies Outback has issued new share capital to Taifeng to represent their 49% shareholding in Outback. Outback represents an incorporate Joint Venture company between IMX and Taifeng, which remains under the control of IMX.

On 29 July 2010 the Company issued 2,550,000 options to directors, including the Managing Director. The issue represent the initial director's allocations for John Nitschke and Song Yuan Gang, both new directors, with allocations of 500,000 options each at an exercise price of $0.44 per option. These options have a life of 5 years and vest immediately. In addition Mr Jooste-Jacobs, Mr Hunt and Mr Haggarty were issued 350,000 options each and Mr McBain was issued 500,000 options, all with a life of 5 years, an exercise price of $.049 per option and immediate vesting. Approval for the issue of options to directors is required from shareholders and will be sought at the next Annual General Meeting.

On 27 August 2010 the Company issued options to purchase ordinary shares in IMX to employees. A total of 1,525,000 were granted at an exercise price of $0.41 per ordinary share with a life of 5 years.

On 13 August 2010 the Company cancelled 950,000 expired options. These options had vested but were issued to an employee who has subsequent left the employment of IMX and under the terms of the IMX Share and Option Incentive Plan were cancelled.

On 27 August 2010 the Company announced that it had requested a meeting of shareholders Uranex NL in which it holds a significant investment. This meeting was called to vote on the removal of the Messrs Daley, Cottle, Udovenya and Cusworth, being directors of Uranex and the appointment of Messrs Jacobs and Hunt to the Board. Messrs Jacobs and Hunt are both non-executive directors of IMX Resources Limited. Subsequent to this request Messrs Daley, Cottle, Udovenya and Cusworth resigned as directors of Uranex.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As a result of the commissioning of the Cairn Hill Phase 1 Project, Termite Resources NL (holder of ML6303 and subsidiary of Outback Iron Pty Ltd) will commence shipping towards the end of the 2010 calendar year, resulting in the first ore revenues for the Group.

In the opinion of the Directors, there is nothing else to report, except as reported in the Director's Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial periods subsequent to 30 June 2010.

ENVRIONMENTAL REGULATION

The Group's exploration activities and those of its farm-in partners in both Australia and overseas are subject to environmental regulations and guidelines operating in the licence area. Failure to meet environmental conditions attaching to the Group's mining tenements could lead to forfeiture of the tenements. The Group is committed to achieving a high standard of environmental performance. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2010.

The Cairn Hill Phase 1 Project's operations main approval document is the Mining and Rehabilitation Program ('MARP') which was completed in April 2008. There have been no changes to this approval since it was issued and no failures have been recorded to date. A total of $825,000 of cash back deposits have been placed as bonds with Primary Industry & Resources South Australia ("PIRSA").

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Board believes that it is crucial for all Board members to be a part of this process. Nevertheless the Board has included risk management as part of the responsibilities of the Audit and Risk Committee.

ECONOMIC RISKS

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded there is a risk that tenements may have to be surrendered or not renewed.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors which may include:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) commodity prices;

(e) changes in investor sentiment toward particular market sectors;

(f) the demand for, and supply of, capital; and

(g) terrorism or other hostilities.

MARKET CONDITIONS

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

EXPLORATION SUCCESS

The mineral tenements of the Company are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic mineral deposit.

OPERATING RISKS

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration/mining, operational/technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

POLITICAL RISK, COMMODITY PRICE VOLATILITY AND EXCHANGE RATE RISKS

The Company has exploration activities in Australia, Tanzania and Mozambique. Each of these countries has national and regional political jurisdictions. No assurances can be given that exploration activities in those countries will continue to be supported by the current or subsequent regimes.

In the event that the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are primarily incurred in Australian dollars and are reported by the Group in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

ENVIRONMENTAL RISKS

The operations and proposed activities of the Company are subject to both Australian State and Federal laws and regulations and Tanzanian, Indian, Mozambique and Canadian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances which could subject the Company to extensive liability.

TITLE RISKS AND NATIVE TITLE

Interest in tenements in Australia, Tanzania and Mozambique are governed by the respective country and state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

It is also possible that, in relation to the Australian tenements in which the Company has an interest or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

OPTIONS

At the date of this report there are 12,950,000 options issued under the IMX Share and Option Incentive Plan.

	Number of Options
Balance at the beginning of the year	**11,360,000**
Options issued during the year [1]	1,475,000
Options cancelled during the year	(360,000)
Options exercised during the year	(100,000)
Total number of options issued at 30 June 2010	**12,375,000**
Issued subsequent to year end	1,525,000
Expired subsequent to year end	(950,000)
Total number of options issued at the date of this report	**12,950,000**

[1] Balance issued during the year includes those issued under a legal obligation (representing 500,000 options) but that are yet to be granted.

The balance is comprised of the following:

Number	Grant Date	Expiry Date	Exercise Price
3,100,000	21 December 2007	21 December 2012	50 cents
600,000	21 December 2007	21 December 2012	53 cents
1,000,000	25 June 2008	25 June 2013	53 cents
1,200,000	25 June 2008	25 June 2013	56 cents
2,300,000	4 November 2008	3 November 2013	52 cents
2,800,000	4 November 2008	3 November 2013	56.8 cents
500,000	29 July 2009	29 July 2014	49 cents
100,000	20 October 2009	20 October 2014	29 cents
200,000	26 October 2009	26 October 2014	39 cents
75,000	6 November 2009	6 November 2014	39 cents
500,000 [1]	2 February 2010	1 February 2015	39 cents
1,525,000	27 August 2010	26 August 2015	41 cents

[1] Options issued under a legal obligation that have not yet been granted.

Directors' Report

PARTLY PAID SHARES

A prerequisite of a No Liability company changing status to a company limited by shares is that it has no partly paid shares on issue at the time of conversion. On 29 October 2008, the company sought and was granted authority from shareholders to cancel 850,000 forfeited partly paid shares, as a result no partly paid shares were outstanding during the current financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Article 74.1 of IMX Resources Limited's Constitution allows the Company to indemnify each director or secretary of the Company, to the extent permitted by law, against liability incurred in or arising out of the conduct of the business of the Company or the discharge of the duties of the director or secretary.

The consolidated entity has granted indemnities under Deeds of Indemnity with each of its current directors and the secretary. Since the date of the last Directors Report the consolidated entity entered into new Deeds of Indemnity with Johann Jooste-Jacobs, Anthony Haggarty, Stephen Hunt, Duncan McBain, John Nitschke, Song Yuan Gang, Chen Yu, Cao Xiangkui and Andrew Steers.

In conformity with Article 74.1, each Deed of Indemnity indemnifies the relevant director, officer or employee to the full extent permitted by law. Where applicable each Deed of Indemnity indemnifies the relevant director, officer or employee to the fullest extent permitted by law for liabilities incurred whilst acting as an officer of IMX Resources, any of its related bodies corporate and any outside entity, where such an office is held at the request of the Company.

The consolidated entity has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the consolidated entity.

No indemnity has been granted to an auditor of the consolidated entity in their capacity as auditors of the consolidated entity.

During the financial year, the Consolidated Entity paid insurance premiums in respect of directors' and officers' liability insurance in line with industry norms. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

At the date of this report there are no leave applications or proceedings brought on behalf of the consolidated entity under section 237 of the *Corporations Act 2001*.

COMPETENT PERSONS STATEMENT

Information in this report relating to exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists. Ms Manzi is the General Manager Exploration and a full time employee of IMX Resources Limited. Ms Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the "Australasian Code of Reporting Exploration results, Mineral Resources and Ore Reserves. Ms Manzi consents to the inclusion of the data in the form and context in which it appears.

AUDIT AND NON-AUDIT SERVICES

The Company, with the prior approval of the Audit Committee, may decide to employ the external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the IMX Resources consolidated entity are important, and where these services will not impair the external auditor's independence. No non-audit services were provided by the Company Auditor, BDO, during the financial year ending 30 June 2010.

Details of the amounts paid or payable to the external auditors (BDO) and its related parties for audit services provided during the financial year are set out below:

	Consolidated 2010 $
Other audit work under the *Corporations Act 2001*	
BDO Audit (WA) Pty Ltd	$8,356

Directors' Report

AUDITOR INDEPENDENCE

The Auditor's Independence Declaration as required under section 370C of the *Corporations Act 2001* for the year ended 30 June 2010 has been received and is disclosed on page 72.

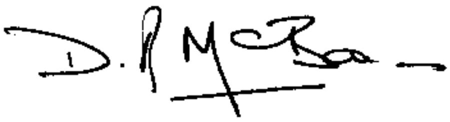
ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

REMUNERATION REPORT

The remuneration report which has been audited by BDO is set out on pages 17 to 22 and forms part of the Directors Report.

This report is made in accordance with a resolution of the Directors.



Managing Director
PERTH
On the 22nd day of September 2010

Directors' Report

REMUNERATION REPORT

The Directors of IMX Resources Limited present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2010. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

1.0 Details of key management personnel

The Remuneration Report sets out remuneration information for the Company's and Group's key management personnel (KMP) during the 2010 financial year. KMP are defined as Non-Executive Directors (NED's), the Managing Director and other designated senior executives who are accountable for planning, directing and controlling the affairs of the Company and its controlled entities ("Senior Executive"). During the 2010 financial year only four officers met the definition of the Managing Director or a Senior Executive.

Table 1.1: Managing Director and Senior Executives during 2010 financial year

Name	Position	Period of KMP
Current		
Duncan McBain	Managing Director & CEO	All of 2009/2010
Andrew Steers	CFO & Company Secretary	Commenced 2 February 2010
Bianca Manzi	General Manager Exploration	All of 2009/2010
Simon Parsons	General Manager – Cairn Hill Operations	All of 2009/2010
Former		
Kimberley France	CFO & Company Secretary	Ceased 12 February 2010

Table 1.2: Non-executive directors during 2010

Name	Position	Period of KMP
Current		
Johann Jooste-Jacobs	Chairman	All of 2009/2010
Anthony Haggarty	Director	All of 2009/2010
Stephen Hunt	Director	All of 2009/2010
Cao Xiangkui	Director	All of 2009/2010
John Nitschke	Director	Commenced 23 December 2009

2.0 Remuneration policy

The Company has adopted a policy that directors and senior executive's remuneration should be comprised of fixed and 'at-risk' components. As a result of the delay in funding for the Cairn Hill Phase 1 Project and the restrictions on cash reserves the Company implemented a general wage freeze for senior executives. The Company understands that the mix of fixed and at risk remuneration will vary depending on the role and responsibility of executives, as well as the performance of the Company and of the individual executive.

2.1 Overview of remuneration policy and practices

The Board recognises that the performance of the Company depends upon the quality of its directors and executives. To achieve its operating and financial activities the Company must attract, motivate and retain highly skilled directors and executives. The Board recognises that there must be a linkage between remuneration and business strategies and that these linkages must be comparable with other business' operating in similar or the same industries in order to ensure IMX can retain its executives and promote a culture aimed at achieving the Group's business objectives.

The Company's policy for determining the nature and amount of emoluments of Board members and executives of the Group is assessed from time to time with reference to the mineral industry market place and due to the nature of the business is not directly linked to the Company's performance. The Nomination and Remuneration Committee is responsible, in conjunction with other senior executives, to research, assess and make recommendations to the Board in relation to senior executive remuneration. Where required the Nomination and Remuneration Committee will seek independent external advice in order to gauge the general market conditions and competitor analysis.

Directors' Report

All directors and senior executives receive a superannuation guarantee contribution as legislated by government (currently 9% of gross salary) and do not receive any other retirement benefits. The Board does not intend to put in place any form of retirement benefits for senior executives beyond Australian and State legislative requirements.

The 'at-risk' component of a director or senior executive's remuneration package is supported by their entitlement to participate in the IMX Share and Option Incentive Plan. All remuneration paid under this scheme is valued at the cost to the Company as prescribed by Australian Accounting Standards and expensed to the Income Statement. Stock options are currently valued using the Black Scholes methodology.

The board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting and is currently set at $500,000 (as approved by shareholders on 29 October 2008). Fees for non executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are also able to participate in the Company's Employee Share and Option Incentive Plan.

On 22 October 2007, IMX terminated the Employee Share Investment Plan. On 27 November 2007, shareholders adopted the IMX Share and Option Incentive Plan and subsequently authorised amendments to the plan on 25 June 2008.

2.2 Performance based remuneration

The Company currently has no performance based remuneration component built into director and senior executive remuneration packages or contracts. Performance based remuneration is assessed by the Board, based on recommendations from the Nomination and Remuneration Committee, every six months and is based on the individual executives performance, market conditions and company performance. Performance based bonuses paid to executives are shown in the remuneration report. No performance based bonuses are payable to non-executive directors.

2.3 Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase good congruence between shareholders, directors and executives. Currently this is facilitated through the issue of options to directors, and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

2.4 Nomination and Remuneration Committee

The nomination and remuneration committee was formed on 1 August 2008. The committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors themselves of the Company and of other Group executives for the Group.

The members of the remuneration committee are:

Mr J C Jooste-Jacobs (Chairperson) – Independent Non Executive

Mr S B Hunt – Non Executive

Mr A J Haggarty – Independent Non Executive

The board policy is that the nomination and remuneration committee will comprise entirely of independent non executive directors where possible. The managing director, Mr D R McBain, is invited to committee meetings, as required, to discuss senior executives' performance and remuneration packages but does not attend meetings involving matters pertaining to his own remuneration package. Nomination and remuneration committee meetings are detailed on page 6. The Nomination and Remuneration Committee will seek independent external advice where required to assist in aligning directors and senior executives remuneration packages with industry and market.

2.5 Directors Benefits

It is the company's policy that no director of the Company should receive or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the consolidated accounts and as noted below, by reason of a contract entered into by the Company or an entity that the Company controlled or a body corporate that was related to the Company. This extends to all directors, firms in which a director is a member or an entity to which the director has a substantial or material interest.

The Board has determined that should a non-executive director incur or be asked to incur excessive time in assisting the executive team on specific operational or contractual matters, that the director is entitled to charge the Company for this additional time. If a non-executive director is requested to perform such duties it must be approved by both the Chairman and Managing Director and if it is expected to be excessive the Board will be consulted to ensure that the director is the most appropriate officer to assist Management. During the year ended 30 June 2010 the total of such additional fees was $1,000.

Directors' Report

Directors fees have been set by the Board as follows:

	Chairman $ per annum *	NED $ per annum *
Base fee rate	$85,000	$50,000
Additional fees:		
Audit & Risk Committee	$5,000	-
Nomination & Remuneration Committee	$5,000	-

* All fees are stated inclusive of the legislative requirement to pay superannuation.

3.0 Managing Director and senior executive remuneration and employment arrangements

3.1 Managing Director

Duncan McBain is the Managing Director and CEO and was employed in this position for the full 2010 financial year.

The terms of his salary and contract were set by the Board and his employment agreement was finalised during the 2010 financial year. Prior to this Mr McBain was employed without a formal contract and was operating under a rolling service agreement. The employment agreement was recommended by the Nomination and Remuneration Committee taking into account the smaller position of the Company.

Mr McBain's annual salary was set at $252,362 inclusive of superannuation. Mr McBain is entitled to an annual increase of no less than 5% on the remuneration package that applied the previous year (this increase has been waived by Mr McBain for the past 2 years). Mr McBain does not have any other short or long term incentives stipulated in his employment agreement and the payment of such incentives is at the discretion of the Board who will take advisement from the Nomination and Remuneration Committee. As such Mr McBains annual fixed remuneration as detailed in his employment agreement represent 100% of his total remuneration. Mr McBain's performance is to be assessed by the Nomination and Remuneration Committee at least annually with the recommendation to be presented to the Board within one month of the review taking place. No termination benefits are provided for in Mr McBain's employment agreement.

For the year ended 30 June 2010 Mr McBain received a payment of $50,000, in lieu of 87 days accrued in lieu in the course of his employment. This payment is not considered to be a performance based payment.

Mr McBain is entitled to participate in the Share and Option Incentive Plan and Mr McBain's allocations under that plan are to be reviewed annually. On 29 July 2010, the Board approved the issue of 500,000 options to acquire ordinary shares in the Company with a life of 5 years, no vesting terms and an exercise price of $0.49 (which represents a 10% premium on the volume weighted average price of IMX shares for the five day period ending 29 July 2010). This allocation is subject to shareholder approval which will be sought at the upcoming Annual General Meeting of shareholders on 15 November 2010.

3.2 Current senior executives

The remuneration arrangements for Senior Executives are formalised in employment contracts and service agreements. As with the Managing Director, these agreements provide only for the payment of annual fixed remuneration and for the participation, at the Boards discretion, in the IMX Resources Share and Option Incentive Plan. No short term incentives are stipulated in the agreements and these are subject to the discretion of the Board. No termination benefits are stipulated in these agreements. The material terms of the agreements are set out below:

Name	Term of Contract	Notice period by either party	Option entitlements included in agreement
Andrew Steers	Permanent	Eight (8) weeks	500,000 options to vest on 2 February 2011, life of 5 years and an exercise price of $0.38 per option
Bianca Manzi	Permanent	One (1) month	Not detailed – subject to annual review and allocation by Board
Simon Parsons	Permanent	Eight (8) weeks	500,000 options to vest on 29 July 2009, life of 5 years and an exercise price of $0.49 per option

3.3 Former senior executives

Mr Kimberley France ceased his position as CFO and Company Secretary effective 12 February 2010. Mr France was paid a total termination package of $108,044. In addition during his tenure Mr France (or his associate) was granted a total of 950,000 stock options in IMX. Under the IMX Resources Share and Option Incentive Plan Mr France has 6 months from his last day of service to exercise his options or they will be cancelled. On 13 August 2010 the Company cancelled 950,000 stock options that had been issued to Mr France (or his associate).

Directors' Report

4.0 Total Rewards Tables

4.1 2009/2010 Financial Year

	Short Term		Post Employment	Other Long Term	Termination	Share Based Payments	Total	Performance Based	Proportion of Remuneration Performance Related	Value of Options as a Proportion of Remuneration
	Salary & Fees	Non Monetary	Super			Options		Bonus		
	$	$	$	$	$	$	$	$	%	%
Directors										
J C Jooste-Jacobs	86,251	3,304	-	-	-	-	89,555	-	-	-
D R McBain	281,521 [4]	6,004	25,337	-	-	-	312,863	-	-	-
S B Hunt	50,000	3,304	-	-	-	-	53,304	-	-	-
A J Haggarty	51,250	3,304	-	-	-	-	54,554	-	-	-
Cao Xiangkui	50,000	3,304	-	-	-	-	53,304	-	-	-
J S Nitschke [1]	23,075	1,573	2,164	-	-	-	26,812	-	-	-
Other key management personnel										
B Manzi	146,999	9,705	13,544	3,330	-	-	173,578	3,491	2.0	-
K G France [2]	101,061	10,230	19,034	-	108,044	-	238,369	2,382	1.0	-
S R Parsons	239,997	3,304	22,140	-	-	11,260	276,701	6,000	2.1	4.0
A N Steers [3]	77,082	2,436	6,937	-	-	45,598	132,054	-	-	34.5
Total	1,107,236	46,470	89,156	3,330	108,044	56,858	1,411,094	11,873	-	-

[1] Commenced 23 December 2010
[2] Resigned effective 12 February 2010
[3] Commenced 2 February 2010
[4] Includes a $50,000 payment for 87 days accrued in lieu during the course of Mr McBains employment.

Directors' Report

4.2 2008/2009 Financial Year

	Short Term		Post Employment	Other Long Term	Share Based Payments	Total	Performance Based	Proportion of Remuneration Performance Related	Value of Options as a Proportion of Remuneration
	Salary & Fees	Non Monetary	Superannuation		Options		Bonus		
	$	$	$	$	$	$	$	%	%
Directors									
J C Jooste-Jacobs	82,825	4,338	-	-	79,159	166,322	-	-	47.6
D R McBain	238,443	6,963	21,460	-	89,674	356,540	-	-	25.2
S B Hunt	47,310	4,338	-	-	75,655	127,303	-	-	59.4
A J Haggarty	47,310	4,338	-	-	75,655	127,303	-	-	59.4
Cao Xiangkui	47,310	4,338	-	-	-	51,648	-	-	-
Other key management personnel									
B Manzi	146,999	4,597	13,230	3,980	8,207	177,013	-	-	4.6
K G France	174,781	12,937	15,730	-	89,188	292,636	-	-	30.5
S R Parsons[1]	211,044	-	18,994	-	-	230,038	-	-	-
Total	996,022	41,849	69,414	3,980	417,538	1,528,803	-	-	-

[1] Commenced 14 August 2008

Directors' Report

5.0 Equity based compensation and holdings

As part of the remuneration policy, the company grants equity based compensation in the form of stock options to purchase ordinary shares in IMX Resources Limited, to NED's, Senior Executives and company staff members. Options granted under the plan carry no dividend or voting rights and when exercisable, each option is convertible into one ordinary share. The table below sets out the details of the option grants/vesting during the period:

Table 5A. Options granted to directors and senior executives in the 2009/2010 financial year

Name	Grant Date	Number of options issued	Vesting Date	Exercise Price ($)	Expiry Date	Fair value per option ($)
Directors						
No options were granted to directors during the financial year ended 30 June 2010						
Senior Executives						
Simon Parsons	29 Jul 2009	500,000	29 Jul 2009	$0.49	29 Jul 2014	$0.28
Andrew Steers (1)	2 Feb 2010	500,000	2 Feb 2011	$0.38	2 Feb 2015	$0.20

(1) The options issued to Andrew Steers form part of the legally binding employment contract that was approved by the Board. Under the practice of the Company the options are considered to be issued (as they are legally binding) but have not yet been granted.

Table 5B. Options granted to directors and senior executives in the 2008/2009 financial year

Name	Grant Date	Number of options issued	Vesting Date	Exercise Price ($)	Expiry Date	Fair value per option ($)
Directors						
Johann Jooste-Jacobs	29 Oct 2008	500,000	3 Nov 2008	$0.52	3 Nov 2013	$0.27
Johann Jooste-Jacobs	29 Oct 2008	600,000	3 Nov 2008	$0.568	3 Nov 2013	$0.27
Duncan McBain	29 Oct 2008	500,000	3 Nov 2008	$0.52	3 Nov 2013	$0.27
Duncan McBain	29 Oct 2008	750,000	3 Nov 2008	$0.568	3 Nov 2013	$0.27
Stephen Hunt	29 Oct 2008	500,000	3 Nov 2008	$0.52	3 Nov 2013	$0.27
Stephen Hunt	29 Oct 2008	550,000	3 Nov 2008	$0.568	3 Nov 2013	$0.27
Tony Haggarty	29 Oct 2008	500,000	3 Nov 2008	$0.52	3 Nov 2013	$0.27
Tony Haggarty	29 Oct 2008	550,000	3 Nov 2008	$0.568	3 Nov 2013	$0.27
Senior Executives						
Bianca Manzi	2 Oct 2008	300,000	2 Oct 2008	$0.49	13 Apr 2009	$0.39
Kimberley France	11 Sep 2008	300,000	3 Nov 2008	$0.52	3 Nov 2013	$0.40
Kimberley France	11 Sep 2008	350,000	3 Nov 2008	$0.568	3 Nov 2013	$0.40

Options granted as part of remuneration

The total value of options granted as remuneration to the Directors and Key Management Personnel of IMX during the year was $240,321 (2009: $1,578,500). The value attributable to those options that vested and the amount recognised as an expense during the year was $56,858 (2009: $417,538). None of the above options were exercised and no senior executive or non-executive director exercised any options during the financial year. A total of 300,000 options issued to Bianca Manzi expired unexercised on 13 April 2009.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

END OF AUDITED REMUNERATION REPORT

Corporate Governance

The Board is responsible for the overall corporate governance of the Company and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision-making and continues to review the framework and practises to ensure they meet the interests of shareholders.

A description of the Group's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. They comply with the August 2007 ASX *Principles of Good Corporate Governance and best Practice Recommendations*, unless an exception is noted.

1.0 The Board of Directors

(a) Board Composition and expertise

The Board has an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives. The Board believes that the Non-Executive and Executive Directors collectively bring the range of skills, knowledge and experience necessary to direct the Company.

The Company's Constitution provides that the number of directors shall not be less than three or more than twelve. There is no requirement for any share holding qualification.

Details on each of the Director's backgrounds and whether they are independent or not, are set out in the Directors Report.

In assessing the composition of the Board, the Directors have regard to the following policies:

- the Chairman should be Non-Executive and Independent;
- the role of the Chairman and Managing Director should not be filled by the same person;
- The Managing Director should be a full-time employee of the Company; and
- The Board should include a majority of independent Non-Executive Directors.

Two additional Directors were appointed during the past twelve months, including Mr John Nitschke and Mr Song Yuan Gang. Mr Nitschke is the appointee nominated by OZ Minerals a major shareholder of IMX. IMX believe that Mr Nitschke's experience and expertise, particularly at the technical and operational level are a key addition to the Board. Mr Song Yuan Gang is the Chairman and co-owner of the Sichuan Taifeng Group, which is the largest shareholder of IMX. Mr Song Yuan Gang's vast experience in China and abroad will be a key experience addition to the IMX Board. Both Mr Nitschke and Mr Song Yuan Gang are not considered to be independent directors.

The current Board composition includes four independent Directors, two non-independent Directors and one Executive Director.

(b) Board role and responsibilities

The roles and responsibilities of the Board are formalised in the Board Charter. The Board Charter defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. The central role of the Board is to oversee and approve the Company's strategic direction, to select and appoint a Managing Director/CEO, to oversee the Company's management and business activities and report to shareholders.

Consistent with these roles, the Board commits to the following responsibilities:

- providing strategic guidance to the Group, including contributing to the development of and approving the corporate strategy;
- reviewing and approving business plans, the annual budget and financial plans (including available resources and major capital expenditure commitments);
- oversee and monitor the Groups performance (against established goals/objectives) and compliance with the company's code of conduct;
- monitor the Group's financial performance, including approval of the annual and half-year financial reports and liaison with the company's auditors;
- appointment, performance assessment of, provide assistance and guidance to, and, if necessary, removal of the managing director;
- contribute to the performance assessment of the Senior Executive team;
- enhancing and protecting the reputation of the Group;
- overseeing the operation of the Group's system for compliance and risk management reporting to shareholders;
- ensuring appropriate resources are available to the Senior Executive team;
- identification of and action towards Group risks; and
- develop and implement management and corporate systems to assure quality.

The Board also recognises its responsibilities to IMX's employees, the communities and environments within which IMX operates and, where relevant, other stakeholders.

Corporate Governance

Responsibility for management of IMX's business activities is delegated to the Managing Director/CEO who is accountable to the Board.

The Board Charter is available in the corporate governance section of IMX's website.

(c) Chairman

The Board elects one of the Non-Executive Directors to be Chairman. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation.

(d) Director independence

The Board has approved the Board Charter which details the director's independence rules.

The rules provides that the independence of a director will be assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality is considered from the perspective of IMX, the persons or organisations with which the director has an affiliation and from the perspective of the director. Materiality thresholds are considered by the Board from time to time. The Board considers that:

- a material customer is a customer of IMX which accounts for more than 5% of IMX's consolidated gross revenue;
- a supplier is material if IMX accounts for more than 5% of the supplier's consolidated gross revenue;
- a substantial shareholder of IMX is someone who holds greater than 5% of the voting capital of IMX;
- a holder of 5% or more of any IMX subsidiary; and
- service on the Board for a period exceeding ten years is a period which could, or could reasonably be perceived to, materially interfere with a director's ability to act in the best interests of the Company.

Non-Executive Director John Nitschke is not regarded as being independent, as he is a Senior Executive of OZ Minerals, an entity that holds greater than 5% of the voting capital of IMX.

Mr Song Yuan Gang is not regarded as being independent, as he is the Chairman and co-owner of the Sichuan Taifeng Group that controls more than 5% of IMX's voting power. Taifeng is also the entity that owns a majority shareholding in the processing plant to which the ore from Cairn Hill Phase 1 Project will be delivered under the life of mine sales contract.

Mr Cao Xiangkui is regarded as being independent. Although Mr Cao is a Senior Executive of the Jilin Tonghua Steel Group, which holds more than 5% of IMX's voting power, Mr Cao is not in a position to control the investment in IMX by Tonghua.

(e) Directors' retirement and re-election

No policy exists for the retirement of non-executive directors, however, the Constitution requires that at each annual general meeting one-third of directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors, must retire. The directors to retire by rotation at an annual general meeting are those directors who have been the longest in office since their last election.

(f) Board succession planning

The Board, in conjunction with the Nomination and Remuneration committee, reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time.

(g) Board performance evaluation

The Board undertakes ongoing self-assessment and review of the performance of the Board, committees and individual Directors annually. The Chairman of the Board is responsible for determining the process for evaluating Board performance.

(h) Nominations and appointment of new Directors

Recommendations for nominations of new Directors are considered by the Nomination and Remuneration Committee and approved by the Board as a whole. New appointments are referred to the next Annual or General meeting of shareholders for approval.

(i) Professional advice

Directors may, in carrying out their Company-related duties, seek external professional advice. If external professional advice is sought, a Director is entitled to reimbursement for all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by at least two Board members.

(j) Conflicts of interest

Directors are required to disclose any actual or potential conflict or material personal interests on appointment as a Director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a Director, then the Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter. When the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process.

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards. The Directors are required to gain the approval of the Board before being appointed to any new directorships.

A standing agenda item is included in all board papers to confirm the Directors potential conflicts of interests and the Directors are required to advise the Chairman and Company Secretary prior to the meeting of any potential change to a conflict of interest.

(k) Directors' remuneration

Details of remuneration paid to Directors are set out in the Remuneration Report.

(l) Board meetings and Company Secretary

The CEO set the agenda for each meeting in conjunction with the Chairman and Company Secretary. Any Director may request additional matters be added to the agenda. Members of senior management attend meetings of the Board by invitation and sessions are also held for Non-Executive Directors to meet without management present.

Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

The Company Secretary is responsible for the secretarial function, including providing advice to Directors and Executives on corporate governance and regulatory matters, recording minutes of Directors' and committee meetings, developing IMX's corporate governance framework and giving effect to the Board's decisions. All Directors have access to advice from the Company Secretary.

2.0 Board Committees

(a) Board Committees and Membership

The Board currently has two standing committees to assist in the discharge of its responsibilities. These are the:

- Audit and Risk Committee; and
- Nomination and Remuneration Committee

The charters for all Board committees, detailing the roles and duties of each are available in the corporate governance section of IMX's website.

At the date of this report, the membership of each Board committee is as follows:

Audit & Risk Committee	Nomination & Remuneration Committee
Anthony Haggarty (Chairman)	Johann Jooste-Jacobs (Chairman)
Johann Jooste-Jacobs	Anthony Haggarty
Stephen Hunt	Stephen Hunt

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, board committee meetings. The Company Secretary provides secretariat services for each committee. The Audit & Risk Committee members should all be non-executive directors, the majority being independent.

All papers considered by the standing committees are available on request to Directors who are not on that committee. Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are available to all Directors.

Other committees are convened to address major transactions or other matters calling for special attention.

(b) Audit and Risk Committee

The main responsibilities of the audit and risk committee in respect of its audit responsibilities are to:

- review and report to the board on the annual report and financial statements;
- provide assurance to the board that it is receiving adequate, timely and reliable information;

Corporate Governance

- assist the board in reviewing effectiveness of the Group's internal control environment covering:
  - compliance with applicable laws and regulations
  - reliability of financial reporting.
- liaise with the external auditors and ensure that the annual audit and half-year review are conducted in an efficient manner; and

The audit and risk committee reviews the performance of the external auditors on an annual basis. The auditors are invited to attend committee meetings during the year to discuss the external audit plan, any significant problems that may arise, and to review the fees proposed for the audit work to be performed.

Any written matters raised by the auditors are discussed and dealt with at full board meetings. The auditors, by request, may attend audit and risk committee meetings and board meetings to discuss any matter that they believe warrants attention by the board. The auditors also attend shareholder meetings of the Group.

Since the end of the financial year the audit and risk committee has met twice.

(c) Nomination & Remuneration Committee

The role of the Nomination & remuneration Committee is to assist the Board by reviewing and approving IMX's remuneration policies and practices, the appointment of Non-Executive Directors to the Board and to assist with the recruitment and appointment of Senior Executives where required. The Committee's responsibilities include:

- make specific recommendations to the Board on remuneration of Directors and Senior Executives;
- recommend the terms and conditions of employment for the Managing Director/CEO;
- undertake a review of the Managing Director's performance, at least annually, including setting the Managing Directors goals for the coming year and reviewing progress in achieving those goals;
- undertake a review of the performance of Senior Executives of IMX, at least annually, including setting with them goals for the coming year and reviewing progress in achieving those goals;
- review recruitment, retention and termination policies for senior executives; and
- develop and facilitate a process for board and director evaluation.

(d) Board and Committee Meetings during the 2010 financial year

A table of the Directors attendance at Board and Committee Meetings during the 2010 financial year is provided in the Directors Report.

3.0 External Auditor Relationship and Independence

(a) Approach to audit and governance

The Board is committed to the basic principles that:

- IMX's financial reports represent a true and fair view;
- IMX's accounting practices are comprehensive, relevant and comply with applicable accounting standards and policies; and
- the external auditor is independent and services shareholders' interests.

(b) External auditor relationship

IMX's independent external auditor is BDO. BDO was appointed by shareholders at the 2009 annual general meeting in accordance with the *Corporations Act 2001.*

The Board has adopted an External Auditor Selection and Rotation Policy which requires the Board to review the external auditor and their independence at least annually.

The Audit Committee oversees detailed External Auditor Guidelines covering the terms of engagement of IMX's external auditor. The guidelines include provisions directed at maintaining the independence of the external auditor and in assessing whether the provision of any proposed non-audit services by the external auditor is appropriate. Such provisions are referenced to the Code of Ethics published by the International Federation of Accountants ("IFAC").

The External Auditor Guidelines contain a set of controls which address threats to the independence of the external auditor including, in particular, any threat which may arise by reason of self interest, self-review, advocacy, familiarity or intimidation (all terms defined by the IFAC's Code of Ethics). The External Auditor Guidelines classify a range of non-audit services which are considered not acceptable for provision by the external auditor.

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(c) Attendance of auditor at the Annual General Meeting

IMX's external auditor attends the annual general meeting and is available to answer questions from shareholders regarding:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by IMX in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

4.0 Risk management and internal control

(a) Approach to risk management

The Board and senior executives are responsible for overseeing the implementation of the company's Risk Management Policy.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems.

(b) Risk management roles and responsibilities

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the group's objectives and activities are aligned with those risks and opportunities.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- The Board receives regular updates on key risks associated with the development of the Company's Cairn Hill;
- The implementation of Board-approved annual operating budgets and plans which are monitored against the actual cost and progress;
- The Audit & Risk Committee reporting on specific finance risks; and
- Ensuring the executive management team is responsible for developing policies, processes and procedures to identify risks and mitigation strategies in IMX's activities.

The Board will seek to develop a Risk Management Policy over the coming year, which can then be used as a guide throughout the Company in identifying and communicating business risks.

(c) CEO and CFO assurance on corporate reporting

The Board receives monthly management reports on the financial condition and operational results of IMX and its controlled entities.

The Managing Director and Chief Financial Officer provide, at the end of each reporting period, a formal statement confirming that the Company's financial reports present a true and fair view, in all material respects, and the group's financial condition and operational results have been prepared accordance with the relevant accounting standards.

The statement also confirms the integrity of the Company's financial statements and notes to the financial statements, is founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board, and that IMX's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

5.0 Promoting Ethical and Responsible Behaviour

(a) Ethical Standards and Codes of Conduct

The Board has approved a Code of Conduct for Directors and a Code of Conduct for Employees which describes the standards of ethical behaviour that Directors and employees are required to maintain.

Compliance with the Code of Conduct by Directors and Code of Conduct for Employees will also assist IMX in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing IMX's corporate reputation.

The Codes of Conduct describe IMX's requirements on such matters as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations, the protection and proper use of IMX's assets and the responsibilities and accountabilities of individuals for reporting and investigating reports of unethical practices.

A copy of each Code of Conduct is available in the corporate governance section of IMX's website.

(b) Share Trading Policy

The Company's Share Trading Policy is binding on all Directors and employees. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restriction on dealing in securities by people who work for or are associated with IMX, and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that the only appropriate time for a Director or employee to deal in the Company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available in the share market. A Director wishing to deal in the Company's securities may only do so after first having advised the Chairman of his or her intention. A Senior Executive wishing to deal must first notify the Managing Director. Confirmation of any dealing must also be given by the Director or Senior Executive to the Company Secretary within two business days after the dealing.

Directors and Senior Executives' dealing in the Company's securities are also subject to specified closed periods, which are set out in the Company's Share Trading Policy or as otherwise determine by the Board from time to time.

A copy of the Company's Share Trading Policy is available in the Corporate Governance section of IMX's website.

(c) Concern reporting and whistleblowing

The Board has yet to develop a Whistleblower Policy. With the relative small employee base at this stage of the Company's development, management is charged with the responsibility of ensuring all employees are committed to maintaining an open working environment in which employees are able to report instances of unsafe work practices, unethical, unlawful or undesirable conduct without fear of intimidation or reprisal.

6.0 Shareholders and Corporate Responsibility

IMX aims to produce positive outcomes for all stakeholders in managing its business and to maximise financial, social and environmental value from its activities.

In practice, this means having a commitment to transparency, fair dealing, responsible treatment of employees and customers and positive links to the community.

Sustainable and responsible business practices within IMX are viewed as an important long term driver of performance and shareholder value. Through such practices, IMX seeks to reduce operational and reputation risk and enhance operational efficiency while contributing to a more sustainable society.

IMX accepts that responsibilities on the Board and management, which flow from this approach, go beyond strict legal and financial obligations. In particular, the IMX Board seeks to take a practical and broad view of Directors' fiduciary duties, in line with stakeholders' expectations.

(a) Continuous Disclosure

IMX is committed to maintaining a level of disclosure that meets the highest standards and provides all investors with timely and equal access to information.

IMX's Continuous Disclosure Policy reinforces IMX's commitment to the ASX continuous disclosure requirements and outlines management's accountabilities and the processes to be followed for ensuring compliance. The policy also describes IMX's guiding principles for market communications.

A copy of the Continuous Disclosure Policy is available in the corporate governance section of IMX's website.

(b) Shareholder communications and participation

IMX is committed to giving all shareholders comprehensive, timely and equal access to information about its activities so that they can make informed decisions. Similarly, prospective investors are entitled to be able to make information investment decisions when consider the purchase of shares in IMX.

A wide range of communication approaches are employed including direct communications with shareholders and presentations to shareholders at the Company's AGM. Publication of all relevant Company information, including the Company's annual report, is in the 'Investors & Media' section of IMX's website at www.imxresources.com.au. Shareholders are also given the opportunity to receive information in print or electronic format.

IMX's Communication Policy provides that the Company will communicate effectively with its shareholders, give shareholders ready access to balanced and understandable information about IMX and encourages shareholder participation at shareholder meetings. The way it does this includes:

- ensuring that financial reports are prepared in accordance with applicable laws;
- ensuring the disclosure of full and timely information about IMX's activities in accordance with the general and continuous disclosure principles of the ASX Listing Rules and the *Corporations Act 2001*. This includes reporting on a quarterly basis the activities and prospects of the Company;
- the Chairman and Managing Director reporting to shareholders at the Company's AGM;

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- placing all market announcements (including quarterly reports and financial reports) on IMX's website as soon as practicable following release; and
- ensuring that reports, notices of meetings and other shareholder communications are prepared in a clear and concise manner and are distributed in a timely manner as prescribed by law.

A copy of the Communications Policy is available in the corporate governance section of IMX's website.

The audit and risk committee is consistent with ASX Principle 4.

7.0 Remuneration Framework

Details of IMX's remuneration framework are included in the Remuneration Report.

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A checklist of the company's compliance to the ASX Principles has been provided below:

ASX PRINCIPLES COMPLIANCE STATEMENT

	ASX corporate governance council's best practice recommendations	Annual Report Reference	Compliance
Principle 1 **Lay solid foundation for management and oversight**			
	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	1(b)	Comply
	Companies should disclose the process for evaluating the performance of senior executives	Remuneration report	Comply (in part)
	Companies should provide the information indicated in the Guide to reporting on Principle 1.	Remuneration report	Comply (in part)
Note	The Company has not conducted a formal performance evaluation of senior executives, however, senior executive performance is reviewed by the Nomination and Remuneration Committee when they meet to ensure that any deficiencies are being identified and plans put in place to resolve. It is proposed to implement a formal review system as part of the Nomination & Remuneration Committee's charter		
Principle 2 **Structure the Board to add value**			
	A majority of the Board should be independent directors.	1(a), 1(d)	Comply
	The chair should be an independent director.	1(a), 1(c)	Comply
	The roles of chair and chief executive officer should not be exercised by the same individual	1(a), 1(b)	Comply
	The Board should establish a nomination committee.	1(h), 2(c)	Comply
	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	1(g), 2(c)	Comply
	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Directors' report, 1(d), 1(i), 2(a)	Comply
Principle 3 **Promote ethical and responsible decision-making**			
	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; and • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	5(a)	Comply
	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	1j, 5(b)	Comply
	Companies should provide the information indicated in the Guide to reporting on Principle 3.	5(a), 5(b), 5(c)	Comply
Principle 4 **Safeguard integrity in financial reporting**			
	The Board should establish an audit committee.	2(b)	Comply
	The audit committee should be structured so that it: • consists only non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the	 2(a), 2(b) 2(a), 2(b) 2(a)	 Comply Comply Comply

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Board; and • has at least three members.	2(a), 2(b)	Comply
The audit committee should have a formal charter.	2(a)	Comply
Companies should provide the information indicated in the Guide to reporting on Principle 4.	2(a), 3(b) Directors' report	Comply
Principle 5 **Make timely and balanced disclosure**		
Companies should establish written policies designed to ensure compliance and ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	6, 6(a)	Comply
Companies should provide the information indicated in the Guide to reporting on Principle 5	6(a)	Comply
Principle 6 **Respect the rights of shareholders**		
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	6, 6(b)	Comply
Companies should provide the information indicated in the Guide to reporting on Principle 6	6	Comply
Principle 7 **Recognise and manage risk**		
Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	2(b), 4(a), 4(b)	Developing
The board should require management to design and implement the risk management and internal control systems to manage the company's material business risks and disclose a summary of those policies	4(a)	Developing
The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in al material respects in relation to financial reporting risks.	4(c)	Comply
Companies should provide the information indicated in the Guide to reporting on Principle 7	4(a),4(b), Directors' report	Developing
Principle 8 **Remunerate fairly and responsibly**		
The board should establish a remuneration committee	Rem report	Comply
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Rem report	Comply
Companies should provide the information indicated in the Guide to reporting on Principle 8.	Rem report, 2(a)	Comply

Income Statement

YEAR ENDED 30 JUNE 2010	Notes	Consolidated	
		2010	2009
		$	$
Operating Revenue		-	-
Net Operating Costs	2	(2,705,800)	-
Gross Operating Loss		(2,705,800)	-
Other income	3	758,810	6,816,142
Investment Related Expenses		-	(241,342)
Corporate & Administration Expenses		(2,227,157)	(1,432,446)
Exploration Expenses		(3,933,549)	(2,310,089)
Development Activities		(1,354,361)	(913,021)
Other expenses	3	(882,080)	(1,639,652)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX AND FINANCE		(10,344,137)	279,592
Finance Costs		(48,687)	-
OPERATING PROFIT / (LOSS) BEFORE INCOME TAX		(10,392,824)	279,592
Income tax attributable to operating profit/(loss)	4	1,896,102	-
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF IMX		(8,496,722)	279,592

Earnings Per Share (Cents per share)			
Basic	19	(4.4)	0.2
Diluted	19	N/A	0.2

The above Income Statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2010

	Consolidated	
	2010	2009
	$	$
Profit/(Loss) for the financial period	**(8,496,722)**	**279,592**
Other comprehensive income:		
Foreign exchange translation differences	**52,127**	**(651,402)**
Net change in fair value of available-for-sale financial assets	**(16,820,360)**	**(19,016,052)**
Total comprehensive expense for the financial year	**(25,264,955)**	**(19,387,862)**

The above Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

Balance Sheet

AT 30 JUNE 2010

	Notes	Consolidated 2010 $	Consolidated 2009 $
CURRENT ASSETS			
Cash and cash equivalents	16(b)	**22,368,333**	**7,658,517**
Trade and other receivables	6(a)	**692,521**	**448,003**
Inventory	7	**151,675**	**-**
Other financial assets	8(a)	**236,604**	**124,499**
		23,449,133	**8,231,019**
Assets classified as held for sale	9	**817,080**	**-**
TOTAL CURRENT ASSETS		**24,266,213**	**8,231,019**
NON-CURRENT ASSETS			
Trade and other receivables	6(b)	**994,030**	**1,001,205**
Other financial assets	8(b)	**12,550,509**	**29,247,673**
Deferred tax assets	4(c)	**1,896,102**	**-**
Property, plant and equipment	10	**17,778,523**	**8,335,816**
Development expenditure	11(b)	**-**	**5,621,789**
TOTAL NON-CURRENT ASSETS		**33,219,164**	**44,206,483**
TOTAL ASSETS		**57,485,377**	**52,437,502**
CURRENT LIABILITIES			
Trade and other payables	12	**6,345,619**	**742,106**
Provisions	13(a)	**261,326**	**289,905**
TOTAL CURRENT LIABILITIES		**6,606,945**	**1,032,011**
NON-CURRENT LIABILITIES			
Provisions	13(b)	**802,846**	**364,581**
TOTAL NON-CURRENT LIABILITIES		**802,846**	**364,581**
TOTAL LIABILITIES		**7,409,791**	**1,396,592**
NET ASSETS		**50,075,586**	**51,040,910**
EQUITY			
Contributed equity	14(a)	**86,005,462**	**61,781,754**
Reserves	15(a)	**14,511,061**	**31,203,371**
Accumulated losses	15(b)	**(50,440,937)**	**(41,944,215)**
TOTAL EQUITY		**50,075,586**	**51,040,910**

The above Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2010

	Notes	Issued Capital	Reserves	Retained Earnings	Total Equity
		$	$	$	$
Balance at 1 July 2008		**61,644,504**	**50,321,671**	**(42,223,807)**	**69,742,368**
Total Comprehensive Income for the 30 June 2009 financial year:					
- Profit for the year		**-**	**-**	**279,592**	**279,592**
- Foreign exchange translation differences		**-**	**(651,402)**	**-**	**(651,402)**
- Net change in fair value of available-for-sale financial assets			**(19,016,052)**	**-**	**(19,016,052)**
Transactions with owners in their capacity as owners:					
- Contributions of equity, net of transaction costs		**137,250**	**-**	**-**	**137,250**
- Employee share options – value of employee services		**-**	**549,154**	**-**	**549,154**
Balance at 30 June 2009		**61,781,754**	**31,203,371**	**(41,944,215)**	**51,040,910**
Total Comprehensive Income for the 30 June 2010 financial year:					
- Loss for the year		**-**	**-**	**(8,496,722)**	**(8,496,722)**
- Foreign exchange translation differences		**-**	**52,127**	**-**	**52,127**
- Net change in fair value of available-for-sale financial assets		**-**	**(16,820,360)**	**-**	**(16,820,360)**
Transactions with owners in their capacity as owners:					
- Contributions of equity, net of transaction costs		**24,223,708**	**-**	**-**	**24,223,708**
- Employee share options – value of employee services		**-**	**75,923**	**-**	**75,924**
Balance at 30 June 2010		**86,005,462**	**14,511,061**	**(50,440,937)**	**50,075,586**

The above Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

YEAR ENDED 30 JUNE 2010	Notes	Consolidated 2010 $	Consolidated 2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(7,595,499)	(2,219,523)
Interest received		505,967	753,629
Interest Paid		-	(1,603)
Other income received		355,424	423,078
Net cash flows (used in)/from operating activities	16(a)	(6,734,108)	(1,044,419)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of exploration expenditure		(4,048,631)	(2,213,008)
Payment of development expenditure		(598,626)	(3,909,517)
Purchase of investments (non-controlled entities)		(235,301)	-
Proceeds on sale of property, plant & equipment		140,061	1,180
Proceeds on sale of investments		-	5,463,646
Acquisition of property, plant & equipment		(50,331)	(424,744)
Payments for capital works in construction		(2,076,208)	(8,720,431)
Refund (payment) of security bond		(6,131)	(822,934)
Net cash flows used in investing activities		(6,875,167)	(10,625,808)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		24,660,470	-
Proceeds received in advance of the allotment of ordinary shares		4,100,000	-
Direct costs of equity issues		(436,762)	-
Proceeds from sale of forfeited shares		-	778,279
Net cash flows from financing activities		28,323,708	778,279
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,714,433	(10,891,948)
Add opening cash and cash equivalents brought forward		7,658,517	18,546,754
Effect of exchange rates on cash holdings in foreign currencies		(4,617)	3,711
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	16(b)	22,368,334	7,658,517

The above Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements
30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements as at and for the year ended 30 June 2010 comprise the IMX Resources Limited and its controlled entity (the "Consolidated Entity"). Disclosures on IMX Resources Limited (the "Company") as an individual entity are included at Note 17 to these financial statements.

IMX Resources Limited (the "Company") is a company domiciled in Australia. The consolidated entity is primarily involved in the exploration for minerals and the mining of iron and copper.

This financial report was authorised for issue in accordance with a resolution of the directors on 22 September 2010.

(a) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AASBs"), other authoritative pronouncements of the Australian Accounting Standards Board ("ASSB"), Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the IMX Resources Limited group also comply with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

These financial statements have been prepared on a going concern basis and under the historical cost convention, except for the following which is measured at fair value (if applicable):

- Available-for-sale financial assets.

Financial statement presentation

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate disclosure of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequent, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Critical accounting estimates

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimate are significant to the financial statements are detailed at Note 1(b) below.

Changes in accounting policies

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the annual reporting period beginning 1 July 2009:

Financial Statement Presentation

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Segment Reporting

The Group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 replaces AASB 114 *Segment Reporting.* The new standard requires a 'management approach', under which segment information is presented on the same basis as that use for internal reporting purposes. This has resulted in a change of reported segments (refer note 23). In addition the segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. There has been no other impact on the measurement of the Group's assets and liabilities. Comparatives for 2009 have been restated

Business Combinations

A revised AASB 3 *Business Combinations* became operative on 1 July 2009. While the revised standard continues to apply the acquisition method to business combinations, there have been some significant changes.

The changes were implemented prospectively from 1 July 2009 and did not have any impact on the Group.

Notes to the Financial Statements

30 JUNE 2010

(b) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Critical accounting estimates and assumptions

(i) *Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Development in relation to the Cairn Hill Phase 1 Project commenced being capitalised in the financial year to 30 June 2008, upon the signing of the heads of agreement with Tonghua Mining Group of China and the granting of a mineral lease.

Factors that could impact future recoverability include the level of reserves and resources, future technological changed which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(ii) Mine rehabilitation and restoration obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of mining areas from which natural resources have been extracted in accordance with the accounting policy at Note 1(g). These provisions include future cost estimates which are discounted to their present value. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, engineering and other costs and discount rates. A change in any of these assumptions used may have a material impact on the carrying value of mine rehabilitation and restoration provisions.

(iii) Ore reserves and resources estimates

The estimated quantities of economically recoverable reserves and resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves and resources estimates can impact the carrying value of property, plant and equipment, intangible assets, provision for mine rehabilitation and restoration, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the income statement.

(iv) Income tax, deferred tax assets and liabilities

The consolidated entity is subject to income taxes of Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the group provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is not certain. The consolidated entity recognises provision for potential tax issues based on estimates of amounts that were initially recorded. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax position in the period in which the determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

Critical judgements in applying the consolidated entity's accounting policies

(i) Functional currency

An entity's functional currency is the currency of the primary economical environment in which the entity operates in accordance with accounting policy 1(k). Determination of an entity's function currency requires management judgement when considering a number of factors including the currency that mainly influences sales prices, costs of production, and competitive forces and regulations which impact sales prices. In addition, consideration must be given to the currency in which financing and operating activities are undertaken.

Notes to the Financial Statements
30 JUNE 2010

(c) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IMX Resources Limited (the "Company" or "parent entity") as at 30 June 2010 and the results of all subsidiaries for the year ended. IMX Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of IMX Resources Limited.

(d) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses recognised. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probably that future economical benefits associated with the item will flow to the consolidated entity and that the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Mine property and development assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability (including the ability to finance the project) of an area of interest are demonstrable, and also includes subsequent costs to develop the mine to the production phase.

Depreciation of mine property and development assets is calculated on the basis of units of production. The depreciation of mine, property and development assets commence when the mine starts commercial production. Depreciation is based on assessments of proven and probable reserves and a proportion of mineral resources available to be mined by the current production equipment to the extent that such resources are considered to be economically recoverable.

Other assets including surface plant are depreciated over the shorter of the asset's useful life and the life of mine. Gains and losses on disposals are determined by comparing proceeds with asset carrying amounts. These are included in the income statement.

Overburden and waste removal

Overburden and other waste removal costs (stripping costs) incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a units of production basis.

Costs incurred in the removal of waste once an operation commences production activity (production stripping costs) are capitalised as mine property and development assets. A proportion of these deferred mine development costs, including both development stripping costs and production stripping costs, is charged to the income statement as an operating costs on the basis of the quantity of ore mined, or the quantity of the minerals contained in the ore, as a proportion of the operations' total quantity of ore estimated to be mined.

Changes in the technical and or other economic parameters that impact on reserves will also have an impact on the depreciation of capitalised mine property and development assets. These changes are accounted for prospectively from the date of change.

Amortisation of deferred stripping costs is included in depreciation of property, plant and equipment.

Notes to the Financial Statements
30 JUNE 2010

Depreciation

Depreciation of plant and equipment is calculated on a straight line basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 2% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(e) IMPAIRMENT OF ASSETS

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

Exploration and evaluation expenditure incurred is not carried forward as an asset in the Balance Sheet, and is written off in the year they are incurred.

Development costs are accumulated for each area of interest and is only capitalised if they can be measured reliably, the process is technically feasible, future economic benefits are probable and the Group intends to have sufficient resources to complete development and exploit the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Development in relation to the Cairn Hill Phase 1 Project commenced being capitalised in the financial year to 30 June 2008, upon the signing of the heads of agreement with Jilin Tonghua (Mining) Group of China and the granting of a mineral lease and was transferred to Mine Property and Development Assets as the asset has begun commercial operations.

(g) MINE REHABILITATION AND RESTORATION OBLIGATIONS

Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during the mine's operations up to the reporting date but not yet rehabilitated. Provision has been made in full for all the disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated costs include the current cost of rehabilitation necessary to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates. The amount of the provision relating to mine rehabilitation and restoration obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

The provision is recognised as a liability, separated into current (estimated costs arising within twelve months if applicable) and non-current components based on the expected timing of these cash flows. A corresponding asset is included in mine property and development assets, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity. The capitalised cost of this asset is recognised in property, plant and equipment and is amortised over the life of the mine.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amounts of the costs to be incurred. Rehabilitation and restoration provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved. Changes in the liability relating to mine rehabilitation and restoration obligations are added to or deducted from the related asset (where it is possible that future economic benefits will flow to the entity), other than the unwinding of the discount which is recognised as financing expenses in the income statement. Changes to capitalised cost result in an adjustment to future depreciation charges. The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances.

Notes to the Financial Statements
30 JUNE 2010

(h) OPERATING LEASES

Operating leases are not recognised in the Group's balance sheet.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(i) INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account either as a deferred tax liability or as a deferred tax asset at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. When deferred tax relates to items that may be credited directly to equity, the deferred tax is adjusted directly against equity.

Deferred tax assets are not brought to account unless it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its wholly owned Australian resident entities are not part of a tax consolidated group.

(j) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), unless the GST incurred is not recoverable from taxation authorities. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows inclusive of GST. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to taxation authorities. The net of GST payable and receivable is remitted to the appropriate tax body in accordance with legislative requirements.

(k) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Financial Statements of foreign operations

The financial results and position of foreign operations whose functional currency is not Australian dollars, the group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for each month during the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the foreign currency translation reserve.

(l) ACCOUNTS PAYABLE

Trade and other payables are recognised when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non interest-bearing, unsecured and are usually paid within 30 days of recognition.

(m) PROVISIONS

Provisions for legal claims and other liabilities are recognised when:

- The consolidated entity has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised in the income statement as financing expenses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the consolidated entity from a contract is lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the *contract.*

(n) EMPLOYEE BENEFITS

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on costs, when the liabilities are settled. The expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government notes with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Employee bonuses

A provision is recognised for the amount expected to be paid under short-term bonus entitlements if the consolidated entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the director or employee and the obligation can be estimated reliably.

Share-based payment transactions

The fair value of options previously granted under IMX Resources Share and Option Incentive Plan and equity instruments granted under the Long-Term Incentive Scheme are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Notes to the Financial Statements
30 JUNE 2010

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

The market value of shares issued to employees for no cash consideration under the IMX Resources Share and Option Incentive Plan are recognised as an employee benefits expense with a corresponding increase in equity over the vesting period.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients.

(o) REVENUE RECOGNITION

Interest revenue is recognised on a time proportionate basis.

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence of an arrangement exists, usually in the form of an executed sales agreement, indicating there has been a transfer of risks and rewards to the customer, no further processing is required by the consolidated entity, the quantity and quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is probable. This is generally when title passes which for the majority of commodity sales represents the bill of lading date when the commodity is delivered for shipment.

Revenue on provisionally priced sales is recognised at the estimated fair value of the total consideration received or receivable.

Revenue is reported net of discounts and pricing adjustments. Royalties paid and payable are separately reported as expenses.

(p) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) EARNINGS PER SHARE (EPS)

Basic earnings per share

Basic EPS is calculated as the profit (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) CASH AND CASH EQUIVALENTS

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(s) NON-DERIVATIVE FINANCIAL INSTRUMENTS

Classification

The consolidated entity classifies its financial assets in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity investments, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Attributable transaction costs are recognised in profit or loss when incurred. Fair value is determined by reference to the quoted price at the reporting date.

(ii) Available-for-sale financial assets

The consolidated entity's investment in equity securities, excluding financial assets at fair value through profit or loss and investments accounted for using the equity method, are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised as a separate component of equity, net of related tax. Impairment losses are recognised in the income statement.

When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement. Fair value is determined by reference to the quoted price at the reporting date.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity, and are classified as held-to-maturity.

Recognition and derecognition

Regular purchases and sales of investments and other financial assets are recognised on trade-date being the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue when the consolidated entity's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in the income statement and other changes are recognised in equity.

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(t) COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) INTERESTS IN JOINT VENTURES

The Group's interest in unincorporated joint ventures and jointly controlled assets are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

Notes to the Financial Statements
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(v) GOVERNMENT GRANTS

Grants that compensate the Group for expenses incurred are recognised in profit or loss when receipt of them is assured.

(w) SEGMENT REPORTING

Operating segments are components of the consolidated entity about which separate financial information is available that is evaluated regularly by the consolidated entity's key management personnel in deciding how to allocate resources and in assessing performance.

Segment information that is evaluated by key management is prepared in conformity with the accounting policies adopted for preparing the financial statements of the consolidated entity.

The division of the consolidated entity's results into segments has been ascertained by reference to direct identification of revenue/cost centres and where interrelated segment costs exist, an allocation has been calculated on a pro rata basis of the identifiable costs.

(x) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

New and revised Standards and Interpretations issued but not yet applicable are not expected to have a significant impact on the financial position or performance of the Company. At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective and have not been early adopted by the Group for the 30 June 2010 financial year:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	These amendments affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes.	1 January 2010	1 July 2010
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	1 January 2010	1 July 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.	1 February 2010	1 July 2010

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AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2013	1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.	1 January 2011	1 July 2011
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.	1 January 2011	1 July 2011
AASB 2009-13	Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	This amendment to AASB 1 allows a first-time adopter may apply the transitional provisions in Interpretation 19 as identified in AASB 1048.	1 July 2010	1 July 2010

(y) GOING CONCERN

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern will be dependent on the ability to raise further funds as required.

Notes to the Financial Statements
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	Consolidated 2010 $	Consolidated 2009 $
2. NET OPERATING COSTS		
Mining costs	1,241,452	-
Mine Planning and survey	78,452	-
Geology	195,716	-
Environmental and rehabilitation	40,127	-
Mine administration and depreciation	554,691	-
Crushing	14,547	-
Haulage	486,404	-
Marketing	25,487	-
Shipping and Port operations	68,924	-
Total Operating Costs	2,705,800	-

3. OTHER INCOME AND EXPENSES

Profit or loss from ordinary activities included the following items of revenue and expense:

(a) Other Income

	2010 $	2009 $
Interest receivable from other persons	591,267	689,106
Profit on sale of royalty rights	-	5,462,641
Government grants and rebates received	116,241	653,515
Other	51,302	10,880

(b) Other Expenses

	2010 $	2009 $
Write down abandoned civil works	-	1,639,652
Write down in fair value of surplus rail equipment held for sale	882,080	-

4. INCOME TAX

(a) Income Tax Expense

The major components of income tax expense are:

	2010 $	2009 $
Income Statement		
Current income tax		
Current income tax charge/(benefit)	(3,134,142)	(45,491)
Adjustments in respect of current income tax of previous years	(131,729)	(169,652)
Deferred income tax		-
Utilisation of unrecognised tax losses from prior years	-	(108,648)
Relating to origination and reversal of temporary differences	(2,330,734)	323,791
Amounts not brought to account as a deferred tax asset	3,700,503	-
Income tax expense/(benefit) reported in the income statement	(1,896,102)	-

	Consolidated 2010 $	2009 $
(b) Numerical reconciliation between aggregate tax expenses recognised in the income statement and tax expense calculated per the statutory income tax rate		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting Profit Before Tax	(10,392,824)	279,592
At the parent entity's statutory income tax rate of 30% (2009: 30%)	(3,117,847)	83,878
Adjustments in respect of current income tax or previous years	(131,729)	(169,652)
Research and development deduction received	(30,728)	(273,142)
Entertainment	755	2,312
Legal fees	16,645	-
Share based payments	13,679	141,461
Foreign exchange gains and other translation adjustments	882	-
Other	(2,348,262)	323,791
Utilisation of losses from prior years not recognised	-	(108,648)
Losses not brought to account as deferred tax assets	3,700,503	-
Income tax expense/(benefit)	(1,896,102)	-
(c) Recognised deferred tax assets		
Amounts recognised in the statement of financial position		
Deferred tax asset	1,896,102	-
Deferred tax liability	-	-
	1,896,102	-

No income tax is payable by the Group. The Directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until there is a strong possibility of deriving assessable income of a nature and amount to enable such benefit to be realised. At 30 June 2010 the Group has recognised deferred tax assets for the first time in relation to losses and timing difference for Termite Resources NL, the owner of ML6303, which will be earning assessable income in the next financial year. Losses in relation to the remainder of the Group have not been brought to account and as such no other deferred tax assets or liabilities have been recorded.

Deferred tax at 30 June 2010 relates to the following:

Consolidated

(i) Deferred tax liabilities

Interest receivable	31,368	-
Inventory	45,503	-
Prepayments	523	-
Investments in publicly listed companies	3,744,090	-
Depreciation differences	190,611	-
Works in progress	810,959	-
Development costs	1,565,292	-
Gross deferred tax liability	6,388,346	-
Set-off of deferred tax assets	(6,388,346)	-
Net deferred tax liability	-	-

Notes to the Financial Statements
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	Consolidated 2010 $	Consolidated 2009 $
(i) Deferred tax assets		
Foreign currency balances	882	-
Accruals	15,000	-
Provision:		
Rehabilitation and restoration	226,687	97,500
Make good (office premises)	6,088	2,507
Annual, LSL & Superannuation	86,532	51,516
Section 40-880 costs	118,171	
Other (including carried forward losses)	12,068,603	7,896,335
Carried forward losses not brought to account as a deferred tax asset	(4,237,515)	(8,047,858)
Gross deferred tax asset	8,284,448	-
Set-off of deferred tax liabilities	(6,388,346)	-
Net deferred tax asset	1,896,102	-

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

6. TRADE AND OTHER RECEIVABLES

(a) Current

	2010 $	2009 $
Accounts and other receivables	170,560	234,294
Accrued interest	104,560	19,288
Prepayments	22,999	-
Goods and services tax receivable	394,402	194,421
	692,521	448,003

(b) Non-Current

	2010 $	2009 $
Security Bonds	994,030	1,001,205
	994,030	1,001,205

The company does not have any factors on hand to suggest that any of the above receivables will not be received and accordingly not provisions or fair value adjustments have been made.

7. Inventory

	2010 $	2009 $
Diesel fuel on hand	151,675	-
	151,675	-

8. OTHER FINANCIAL ASSETS

(a) Current

	2010 $	2009 $
Other	236,604	124,499
	236,604	124,499

(b) Non-Current

	2010 $	2009 $
Investment in Uranex NL	5,285,233	17,820,054
Investment in Continental Nickel Ltd	7,265,276	11,427,619
	12,550,509	29,247,673

Notes to the Financial Statements
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Other financial assets (discussion)

Other financial assets are investments in listed entities valued at the fair market value in accordance with the quoted market price at 30 June 2010. The market values (AUD) of Uranex NL and Continental Nickel Ltd as at 21 September 2010 were $6,111,051 and $8,233,979 respectively.

IMX retains significant investments in Uranex NL of 26.67% and Continental Nickel Ltd of 37.2%. At 30 June 2010 the directors determined that IMX does not have significant influence over those entities as it does not have the power to participate in the financial and operating policy decisions of them. In reaching this determination the board considered:

- IMX does not have board representation for Continental Nickel Ltd;
- IMX did not have board representation for Uranex NL at 30 June 2010. Ms B Manzi, a key management person was a director of Uranex NL until she resigned on 24 August 2010. From 4 August 2009 until Ms Manzi's resignation, Mr Jooste-Jacobs was appointed as an alternate director. On 30 August 2010 Mr Jooste-Jacobs and Mr Hunt joined the board of Uranex as directors. The Uranex board currently comprises 5 directors;
- IMX does not participate in policy making processes including participation in decisions about dividends or other distributions;
- There are no material transactions between the entities;
- There is no interchange of managerial personnel; and
- There is no provision of essential technical information.

Despite the appointments of Messrs Jooste-Jacobs and Hunt to the Uranex Board, the directors of IMX Resources do not believe that they have significant influence over Uranex. Although the appointment of Messrs Jooste-Jacobs and Hunt was a result of IMX's significant shareholding their appointments were to strengthen the Uranex Board and to re-focus the company. Messrs Jooste-Jacobs and Hunt must act at all times in the best interest of Uranex NL of which they are now directors. IMX will be obtaining independent external advice to properly assess the impact of these appointments in relation to the Australian Accounting Standards to determine if the method of accounting applied at 30 June 2010 can be applied going forward.

9. ASSETS HELD FOR SALE

		Consolidated 2010 $	Consolidated 2009 $
Current Assets Held for Sale			
Rail materials and equipment	10(c)	**817,080**	**-**
		817,080	**-**

The group currently holds track materials and signalling and other rail equipment that relates to purchases made for the intended rail shipping from the Cairn Hill site to Port Darwin. The change in rail shipping to Port Adelaide has resulted in these materials and equipment being surplus to requirements by the Group. Where possible the materials and equipment have been used.

The Group currently has an interested party in the equipment and some sales have been made, however, the Group understands that the sale of such equipment will be based on an as needs basis from potential purchasers.

10. PROPERTY, PLANT AND EQUIPMENT

	2010	2009
Plant and equipment (a)	**530,948**	**705,488**
Mine property and development (b)	**9,180,702**	**-**
Construction in progress (c)	**8,066,873**	**7,630,328**
	17,778,523	**8,335,816**

(a) Plant and Equipment

	2010	2009
Plant and equipment		
At cost	**1,068,961**	**1,011,002**
Accumulated depreciation	**(538,013)**	**(305,514)**
Carrying amount	**530,948**	**705,488**

Notes to the Financial Statements
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	Note	Consolidated 2010 $	Consolidated 2009 $
Carrying amount at beginning		705,488	519,393
Additions		57,959	421,184
Disposals		-	(37,330)
Depreciation expense		(232,499)	(197,759)
Carrying amount at end		530,948	705,488

(b) Mine Property and Development

	Note	2010 $	2009 $
Mine Property and Development			
At cost		9,186,618	-
Accumulated depreciation		(5,916)	-
Carrying amount		9,180,702	-
Carrying amount at beginning		-	-
Transfer from Development Expenditure	11	5,714,414	-
Additions		471,614	-
Increase in rehabilitation and restoration asset		387,851	-
Capitalisation of deferred waste and pre-strip		2,612,739	-
Amortisation of rehabilitation and restoration asset		(5,916)	-
Carrying amount at end		9,180,702	-

(c) Construction in Progress

	Note	2010 $	2009 $
Construction in Progress			
At cost		8,066,873	7,630,328
Accumulated depreciation		-	-
Carrying amount		8,066,873	7,630,328
Carrying amount at beginning		7,630,328	316,692
Additions		2,135,705	8,953,288
Surplus equipment transferred to Assets Held for Sale	9	(817,080)	-
Write-down in value of rail equipment		(882,080)	
Abandoned civil works		-	(1,639,652)
Carrying amount at end		8,066,873	7,630,328

11. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

(a) Exploration and Evaluation

	Note	2010 $	2009 $
Expenditure incurred during the year		3,933,549	2,310,089
Expenditure written off during the year		(3,933,549)	(2,310,089)
		-	-

(b) Development

	Note	2010 $	2009 $
Balance 1 July		5,621,789	1,763,069
Expenditure incurred during the year		92,625	3,858,720
Transfer to Mine Property and Development	10	(5,714,414)	-
		-	5,621,789

All exploration and revaluation costs are written off in the period in which they occur. Development costs are only carried forward if there is certainty that they will be recoverable from future cash flows from the relevant area of interest. Once the project has demonstrated technical and commercial viability, including the ability of the Group to finance the project the development assets are transferred to Mine Property and Development Assets.

	Consolidated 2010 $	Consolidated 2009 $

12. TRADE AND OTHER PAYABLES

Current

	2010 $	2009 $
Payables (creditors and accruals)	**2,245,619**	**742,106**
Other creditors	**4,100,000**	**-**
	6,345,619	**742,106**

Other creditors at 30 June 2010 includes the amount of $4,100,000 which was paid to the Company by Sichuan Taifeng Group in advance of the placement of ordinary shares in the company. The placement was not approved by FIRB until 12 July 2010 and as a result the funds were held in advance of the allotment of the shares, accordingly the amount was recognised as a current liability at 30 June 2010.

13. PROVISIONS

(a) Current

	2010 $	2009 $
Employee benefits	**261,326**	**289,905**

(b) Non-Current

	2010 $	2009 $
Employee benefits	**26,932**	**27,891**
Minesite Rehabilitation	**755,622**	**325,000**
Office Restoration	**20,292**	**11,690**
	802,846	**364,581**

14. CONTRIBUTED EQUITY

(a) Issued and Paid up Capital

	2010 Number of shares	2010 $	2009 Number of shares	2009 $
Ordinary shares fully paid	**230,802,803**	**86,005,462**	**174,472,803**	**61,781,754**

(b) Movement in Fully Paid Ordinary Shares

	2010 Number of shares	2010 $	2009 Number of shares	2009 $
Beginning of the financial year	**174,472,803**	**61,781,754**	**174,147,803**	**61,636,004**
Placement of shares (net of cost) – OZ Minerals (1)	**26,150,000**	**10,067,750**	**-**	**-**
Placement of shares (net of cost) –Taifeng (2)	**30,080,000**	**14,121,958**	**-**	**-**
Issue of shares for Mining Native Title Agreements	**-**	**-**	**325,000**	**137,250**
Exercise of employee stock options	**100,000**	**34,000**	**-**	**-**
Cancellation of partly paid shares	**-**	**-**	**-**	**8,500**
End of the financial year	**230,802,803**	**86,005,462**	**174,472,803**	**61,781,754**

(1) On 2 December 2009, the Company issued 26,150,000 Ordinary Shares at 38.5 cents per share in consideration for entering into a Heads of Agreement to establish the Mount Woods Joint Venture with OZ Minerals covering the non-iron ore mineral rights within the Mt Woods tenements.

(2) On 7 May 2010, the Company issued 30,080,000 Ordinary Shares at 48.4 cents per share in a private placement under a Heads of Agreement with the Sichuan Taifeng Group to assist in the development of the Cairn Hill Phase 1 Project.

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(c) Movement in Partly Paid Shares on Issue

	2010 Number of partly paid shares	2010 $	2010 Number of partly paid shares	2010 $
Beginning of the financial year (including uncalled capital)	-	-	850,000	8,500
Cancelled during the year	-	-	(850,000)	(8,500)
Converted to fully paid shares during the year	-	-	-	-
Less uncalled capital	-	-	-	-
End of the financial year	-	-	-	-

(d) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote. Upon a poll, each fully paid share shall have one vote and each partly paid share shall have such number of votes as bears the same proportion to the total of such shares as the amount of the issue price thereof paid up bears to the total issue price. There are no partly paid shares on issue.

(e) Movements in Options on Issue

	2010 Number of options	2010 $	2009 Number of options	2009 $
Beginning of the financial year	11,360,000	-	5,960,000	-
Issued during the year [(1)]	1,475,000	-	5,400,000	-
Exercised during the year	(100,000)	-	-	
Cancelled/expired during the year	(360,000)	-	-	-
End of the financial year	12,375,000	-	11,360,000	-

[(1)] Issued during the year, includes those options granted and those options issued by way of a legal obligation under employment agreements with employees. At 30 June 2010 there are 500,000 options that have been issued (under a legal obligation) but are yet to be granted.

15. RESERVES AND ACCUMULATED LOSSES

	Consolidated 2010 $	Consolidated 2009 $
(a) Reserves		
Foreign currency translation reserve	(315,259)	(367,386)
Share based remuneration reserve	2,346,021	2,270,097
Available for sale investment reserve	12,480,300	29,300,660
	14,511,062	31,203,371
Movements:		
Foreign currency translation reserve		
Balance at beginning of year	(367,386)	284,016
Currency translation differences arising during the year	52,127	(651,402)
Balance at end of year	(315,259)	(367,386)
Share based remuneration equity reserve		
Balance at beginning of year	2,270,097	1,720,943
Employee Share Remuneration	75,924	549,154
Balance at end of year	2,346,021	2,270,097

	Consolidated 2010 $	Consolidated 2009 $
Available for sale investment reserve		
Balance at beginning of year	29,300,660	48,316,712
Mark to Market	(16,820,360)	(19,016,052)
Balance at end of year	12,480,300	29,300,660

(b) Accumulated Losses

	2010	2009
Balance at beginning of year	41,944,215	42,223,807
Net loss / (profit) attributable to members of IMX	8,496,722	(279,592)
Balance at end of year	50,440,937	41,944,215

(c) Nature and Purpose of Reserves

(i) Foreign currency translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of the Company's net investment in a foreign subsidiary.

(ii) Share based remuneration reserve
The share based remuneration reserve is used to recognise the fair value of partly paid shares and options issued.

(iii) Available for sale investments reserve
Comprises the cumulative net change in the fair value of available for sale financial assets until the asset is derecognised or impaired.

16. STATEMENT OF CASH FLOWS

(a) Reconciliation of Operating Loss after Income Tax to Net Cash Used in Operating Activities

	2010	2009
Operating profit / (loss) for the year after income tax	(8,496,722)	279,592
Add / (deduct) non-cash items		
Foreign currency movement in assets	56,743	(651,402)
Profit on sale of royalty rights	-	(5,462,641)
Profit on loss of subsidiary	-	-
Depreciation	232,499	197,759
Exploration expenditure written off	3,933,549	2,310,089
Abandoned capital works written off	-	1,639,652
Fair value adjustment of other financial assets	-	241,342
Write down of surplus rail equipment	882,080	-
(Gain)/Loss on sale of non-current assets	(34,878)	-
Amortisation of rehabilitation/restoration provision	(5,916)	-
Employee share based remuneration	45,598	417,538
Changes in assets and liabilities		
(Increase) / decrease in receivables	(65,821)	(168,982)
(Increase)/decrease in inventory	(151,675)	-
(Increase)/decrease in current tax assets	(1,896,102)	-
(Increase)/decrease in deferred waste costs	(2,612,739)	-
(Increase)/decrease in other assets	(22,999)	-
Increase/(decrease) in payables	1,423,211	-
Increase/(decrease) in provision	(20,936)	(27,443)
Net cashflows used in operating activities	(6,734,108)	(1,044,419)

	Consolidated 2010 $	Consolidated 2009 $
(b) Reconciliation of Cash and Cash Equivalents		
Cash Balance comprises:		
Cash at Bank	**264,516**	**198,672**
Cash at Deposit	**22,102,729**	**7,458,285**
Cash at Hand	**1,088**	**1,560**
	22,368,333	**7,658,517**

Included in the above cash at deposit balance is an amount of $4.1 million representing the advance payment from the Sichuan Taifeng Group for an allotment of ordinary shares. The allotment of ordinary shares did not occur until 12 July 2010.

17. INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(c):

Name	Country of incorporation	Class of shares	Equity Holding* 2010 %	Equity Holding* 2009 %
Backyard Exploration Pty Ltd	Australia	Ordinary	100	100
Frugal Mining Pty Ltd	Australia	Ordinary	100	100
Pan African Resources Pty Ltd	Australia	Ordinary	100	100
Tausi Mining Pty Ltd	Australia	Ordinary	90	90
Outback Iron Pty Ltd	Australia	Ordinary	100	100
Termite Resources NL	Australia	Ordinary	100	100
Cairn Hill Phase 2 Pty Ltd	Australia	Ordinary	100	100
Cairn Hill Phase 3 Pty Ltd	Australia	Ordinary	100	100
Thrifty Mining Pty Ltd	Australia	Ordinary	100	100
Zanzibar Gold Pty Ltd	Australia	Ordinary	92	92
Duma Minerals (T) Ltd	Tanzania	Ordinary	92	92
Nyati Mining (T) Ltd	Tanzania	Ordinary	100	100
Pan African Resources (T) Ltd	Tanzania	Ordinary	100	100
Tausi Minerals Company Ltd	Tanzania	Ordinary	90	90
Warthog Resources (T) Ltd	Tanzania	Ordinary	100	100
Kudu Ltd	Tanzania	Ordinary	100	100
IMX Mozambique Limitada	Mozambique	Ordinary	100	100
Swynlay Pty Ltd	Australia	Ordinary	100	100
Noble Mineral Resources Pvt Ltd	India	Ordinary	100	100

* Percentage of voting power is in proportion to ownership.

	Consolidated 2010 $	Consolidated 2009 $
18. EXPENDITURE COMMITMENTS		

(a) Exploration Commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2010 $	2009 $
not later than one year	**4,705,088**	**2,942,860**

Exploration expenditure commitments beyond twelve months cannot be reliably determined.

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	Consolidated 2010 $	Consolidated 2009 $
(b) Capital Commitments		
Plant & Equipment		
not later than one year	**440,453**	**385,147**

(c) Lease and Operating Contract Expenditure Commitments

	2010 $	2009 $
Operating leases (non-cancellable):		
Minimum lease payments		
- not later than one year	**264,191**	**270,209**
- later than one year and not later than five years	**103,670**	**382,081**
Aggregate lease expenditure contracted for at reporting date	**367,861**	**652,290**

The Group leases a number of office premises with fixed termed leases with lives of between one year to five years. Currently all leases will expire by 30 June 2013. Lease payments are increased each year to reflect market rentals under the terms of the lease.

	2010 $	2009 $
Mining Lease Rentals:		
Expected lease payments		
- not later than one year	**312,507**	**312,507**
- later than one year and not later than five years	**1,250,028**	**1,250,028**
Aggregate lease expenditure contracted for at reporting date	**1,562,535**	**1,562,535**

The Group has one active mining lease, being ML 6303 for the Cairn Hill operations. This lease has a yearly rental of $312,507 and currently expires in April 2018.

The Group has also entered into two operating leases in relation to the Cairn Hill mine site. A lease has been entered into with Cronos Containers Limited for the lease of the custom built containers that will be used to rail the ore to Port Adelaide. A small amount of the containers to be delivered under this lease have, at the date of this report, been delivered to Port Adelaide. An agreement has also been made with Gemco Rail Pty Ltd for the lease of the rail wagons of which no wagons have yet been delivered. The lease terms are consistent with the life of the Cairn Hill Phase 1 mine and upon delivery of the wagons and containers the Group will have an ongoing monthly lease commitment. The Group has also entered into agreements for mining services, road haulage and rail haulage that all contain early termination payments. Details of the key lease terms and the termination payments on the supply contracts are summarised in the table below:

Supply/Lease	**Contract Term**	**Key Terms and obligations**
Lease of rail containers	60 months	Total lease commitment of $20,986,328 over the 60 month lease (annual cost of $4,197,266)
Lease of rail wagons	60 months	Total lease commitment of $12,047,400 over the 60 month lease (annual cost of $2,409,480)
Provision of rail haulage for ore	56 months	Under the agreement the Group will be required to pay termination fees for the early termination of this agreement. The fee's represent the actual and reasonable demobilisation costs and a sliding scale termination fee. At 30 June 2010 the termination fee amounts to $1,245,545.
Mining and road haulage services	Approx. 56 months	Under the agreement the Group will be required to pay early termination fees for the termination of this agreement prior to its natural expiry. At 30 June 2010 the termination fee amounts to $2,185,000.

(d) Remuneration Commitments

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in note 21 that are not recognised as liabilities and are not included in the key management personnel compensation.

	2010 $	2009 $
not later than one year	**321,821**	**355,247**
later than one year and not later than five years	**208,672**	**476,964**
	530,493	**832,211**

(e) Other Commitments

- The Group acquired mining tenements in Australia and India from Anglo American Group ("Anglo"). Anglo has a once only right to acquire a 70% interest in any prospect or prospects on any of the tenements. Upon definition of an Indicated Mineral Resource by IMX, Anglo must notify IMX of its intention to exercise its right to acquire a 70% interest in the tenement(s), hosting the resource. If Anglo elects to acquire a 70% interest, it may do so by sole funding exploration (that is carrying IMX's 30% interest) through to completion of a Bankable Feasibility Study. Anglo will also pay to IMX a cash amount equivalent to 200% of IMX's expenditure on the tenement(s) hosting the resource up to the point of Anglo's election. Should Anglo not exercise its right to acquire that 70% interest, IMX will have 100% of the resource and Anglo will be entitled to a 2% Net Smelter Royalty. IMX has undertaken to spend a minimum of $1.5 million on the tenements as long as they remain in existence.

- Anglo American Investments Ltd (a wholly owned subsidiary of Anglo American Plc) has the right to maintain its shareholding in the Company at 8% by participating in share placements at the average market price.

19. PROFIT PER SHARE

	Consolidated 2010 $	Consolidated 2009 $
Reconciliation of Earnings to Profit of Loss		
Net profit / (loss)	(8,496,722)	279,592
Profit/(loss) used in calculating basis loss per share	(8,496,722)	279,592
	Number of shares	
Weighted average number of ordinary shares used in calculating basic profit per share	193,986,830	174,426,433
Weighted average number of ordinary shares used in calculating diluted profit per share	N/A	183,907,529

20. AUDITORS' REMUNERATION

	2010 $	2009 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
- an audit or review of the financial report of the entity	50,000	-
Amounts received or due and receivable by other auditors of subsidiaries or former subsidiaries for:		
- an audit or review of other financial report	8,356	-
Amounts received or due and receivable by Stantons International (previous auditors) for:		
- an audit or review of the financial report of the entity	23,000	36,291
Amounts received or due and receivable by other auditors of subsidiaries or former subsidiaries for:		
- an audit or review of the financial report of the subsidiaries	500	11,091

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

The following persons were directors of IMX during the financial year:

Johann C Jooste-Jacobs	Non-Executive Chairman (appointed 12 August 2007)
Duncan R McBain	Managing Director (appointed 30 March 2006)
Stephen B Hunt	Non-Executive Director (appointed 3 July 2007)
Anthony J Haggarty	Non-Executive Director (appointed 29 January 2008)
Cao Xiangkui	Non-Executive Director (appointed 12 March 2008)
John S Nitschke	Non-Executive Director (appointed 23 December 2009)

(ii) Senior Executives

Bianca Manzi	General Manager Exploration (appointed 1 January 2007)
Andrew Steers	Chief Financial Officer/Company Secretary (appointed 2 February 2010)
Simon Parsons	General Manager – Cairn Hill Project (appointed 11 July 2008)
Kim France	Chief Financial Officer/Company Secretary (resigned 12 February 2010)

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(b) Remuneration Policy of Key Management Personnel

Details of the remuneration policy of key management personnel, including the Directors, is included in the audited Remuneration Report.

(c) Directors and Executives Remuneration (KMP)

Remuneration of individual directors and key management personnel is disclosed in the Remuneration Report section of the Director's Report.

The totals of remuneration paid to Key Management Personnel of the company and the Group during the year are as follows:

	Consolidated	
	2010	2009
	$	$
Short term employee benefits	1,153,706	1,037,871
Post employment benefits	89,156	77,385
Other long term employee benefits	3,330	3,980
Termination benefits	108,044	-
Share based payments	56,858	417,538
	1,411,094	1,528,803

(d) Related Party Transactions

Transactions with Directors Related Entities

Identity of Related Party	Nature of Relationship	Type of Transaction	Terms & Conditions of Transaction	Aggregate Amount
Mr S B Hunt – Director and shareholder of Minerals and Metals Marketing Pty Ltd	Director of parent entity	Consulting fees paid to Minerals and Metals Marketing Pty Ltd	Normal commercial terms	$1,000 (2009: $13,000)
Mr A J Haggarty	Director of parent entity	Consulting fees paid to XLX Pty Ltd	Normal commercial terms	Nil (2009:$65,250)

The above does not include director's fees as disclosed in Remuneration Report.

Transactions with Associated Companies

Identity of Related Party	Nature of Relationship	Type of Transaction	Terms & Conditions of Transaction	Aggregate Amount
Uranex NL	34.25% ownership of Uranex NL	Service agreement for sharing of rental premises and personnel	Normal commercial terms	Nil (2009: $67,142)
Continental Nickel Ltd	47.5% ownership of Continental Nickel Ltd	Charges for direct costs on CNI projects	Normal commercial terms	Nil (2009: Nil)

(e) Director's & KMP Holding of Shares

(i) Fully Paid Shares

	Balance 1 July 2009	Issued	Other Changes	Balance 30 June 2010
Specified Directors:				
J C Jooste-Jacobs (appointed 12 August 2007)	904,000	-	67,908	971,908
D R McBain	255,000	-	-	255,000
S B Hunt (appointed 3 July 2007)	150,000	-	-	150,000
A J Haggarty (appointed 29 January 2008)	7,064,522	-	-	7,064,522
Cao Xiangkui	-	-	-	-
J S Nitschke	-	-	-	-
Total	8,373,522	-	67,908	8,441,430
Specified Executive:				
B Manzi	100,710	-	-	100,710
A N Steers	-	-	-	-
S Parsons	-	-	-	-
Total	100,710	-	-	100,710

	Balance 1 July 2008	Issued	Other Changes	Balance 30 June 2009
Specified Directors:				
J C Jooste-Jacobs (appointed 12 August 2007)	705,000	-	199,000	904,000
D R McBain	255,000	-	-	255,000
S B Hunt (appointed 3 July 2007)	150,000	-	-	150,000
A J Haggarty (appointed 29 January 2008)	6,454,522	-	610,000	7,064,522
Total	7,564,522	-	819,000	8,373,522
Specified Executive:				
B Manzi	100,710	-	-	100,710
K G France	43,780	-	12,000	55,780
S Parsons	-	-	-	-
Total	144,490	-	12,000	156,490

(ii) Options

	Balance 1 July 2009 Number	Issued	Exercised	Balance 30 June 2010 Number
Specified Directors:				
J C Jooste-Jacobs (appointed 12 August 2007)	2,100,000	-	-	2,100,000
D R McBain	3,750,000	-	-	3,750,000
S B Hunt (appointed 3 July 2007)	1,550,000	-	-	1,550,000
A J Haggarty (appointed 29 January 2008)	1,550,000	-	-	1,550,000
Cao Xiangkui (appointed 12 March 2008)	500,000	-	-	500,000
Total	9,450,000	-	-	9,450,000
Specified Executive:				
B Manzi	600,000	-	-	600,000
A N Steers	-	500,000	-	500,000
S Parsons	-	500,000	-	500,000
Total	600,000	1,000,000	-	1,600,000

	Balance 1 July 2008 Number	Issued	Exercised	Balance 30 June 2009 Number
Specified Directors:				
J C Jooste-Jacobs (appointed 12 August 2007)	**1,000,000**	**1,100,000**	**-**	**2,100,000**
D R McBain	**2,500,000**	**1,250,000**	**-**	**3,750,000**
S B Hunt (appointed 3 July 2007)	**500,000**	**1,050,000**	**-**	**1,550,000**
A J Haggarty (appointed 29 January 2008)	**500,000**	**1,050,000**	**-**	**1,550,000**
Cao Xiangkui (appointed 12 March 2008)	**500,000**	**-**	**-**	**500,000**
Total	**5,000,000**	**4,450,000**	**-**	**9,450,000**
Specified Executive:				
B Manzi	**300,000**	**300,000**	**-**	**600,000**
K G France	**300,000**	**650,000**	**-**	**950,000**
S Parsons	**-**	**-**	**-**	**-**
Total	**600,000**	**950,000**	**-**	**1,550,000**

22. RELATED PARTY DISCLOSURES

(a) Parent Entity

IMX Resources Limited is the ultimate Australian parent entity of the consolidated entity. IMX Resources Limited is a company limited by shares that is incorporated and domiciled in Australia.

(b) Wholly-Owned Group Transactions

Controlled entities made payments and received funds on behalf of IMX and other controlled entities by way of inter-Company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand, however demand for repayment is not expected in the next twelve months.

(c) Key Management Personnel

IMX has applied the option to transfer Key Management Personnel disclosures required by AASB 124 : Related Parties, disclosure paragraph AUS 25.4 to AUS 25.7.2 to the remuneration report section of the Director's Report. These transferred disclosures have been audited.

23. OPERATING SEGMENTS

Segment products and locations

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

The consolidated entity operates in the Resources Industry. During the 2009/2010 financial year the Group commenced mining activities on the Cairn Hill Phase 1 Project representing the Group's first operating asset. The Cairn Hill Project has been in the development phase for the past two years and the expenses associated with that development phase are included in the Cairn Hill Operating Segment. In addition to this operating asset, the Group's other operating segment is Exploration, which represents the Group's other exploration assets.

The Exploration Operating Segment is further split between the geographic location of the projects, being Australia, Tanzania, Mozambique and India.

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2010	Operating Cairn Hill Project $	Exploration Australia $	Tanzania $	Mozambique $	India $	Totals $
Revenue	-	-	-	-	-	-
Net Operating Costs	(2,705,800)	-	-	-	-	(2,705,800)
As represented by:						
Mining	(1,241,452)	-	-	-	-	(1,241,452)
Planning and survey	(78,452)	-	-	-	-	(78,452)
Geology	(195,716)	-	-	-	-	(195,716)
Environment & rehab	(40,127)	-	-	-	-	(40,127)
Site administration	(554,691)	-	-	-	-	(554,691)
Crushing	(14,547)	-	-	-	-	(14,547)
Haulage	(486,404)	-	-	-	-	(486,404)
Marketing	(25,487)	-	-	-	-	(25,487)
Shipping & Port operations	(68,924)	-	-	-	-	(68,924)
Gross Profit	(2,705,800)	-	-	-	-	(2,705,800)
Other Income	48,691	-	-	-	-	48,691
Exploration Expenses	-	(2,307,187)	(1,492,966)	(119,939)	(13,457)	(3,933,549)
Development Expenditure	(1,354,361)	-	-	-	-	(1,354,361)
Other Expenditure	(882,080)	-	-	-	-	(882,080)
Profit before tax and finance	(4,893,550)	(2,307,187)	(1,492,966)	(199,939)	(13,457)	(8,827,099)
Finance Costs	(48,687)	-	-	-	-	(48,687)
Profit before tax	(4,942,237)	(2,307,187)	(1,492,966)	(199,939)	(13,457)	(8,875,786)

2009	Operating Cairn Hill Project $	Exploration Australia $	Tanzania $	Mozambique $	India $	Totals $
Revenue	-	-	-	-	-	-
Net Operating Costs	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Other Income	242,411	-	-	-	-	242,411
Exploration Expenses	-	(2,140,578)	(121,053)	(9,421)	(39,037)	(2,310,089)
Development Expenditure	(913,021)	-	-	-	-	(913,021)
Other Expenditure	(1,639,652)	-	-	-	-	(1,639,652)
Profit before tax and finance	(2,310,232)	(2,140,578)	(121,053)	(9,421)	(39,037)	(4,620,321)
Finance Costs	-	-	-	-	-	-
Profit before tax	(2,310,232)	(2,140,578)	(121,053)	(9,421)	(39,037)	(4,620,321)

Reconciliation of profit before tax for the operating segments to the group profit before tax is provided as follows:

	2010 $	2009 $
Profit before tax for Operating Segments (see table above)	(8,875,786)	(4,620,321)
- Corporate and administration costs	(2,227,157)	(1,432,446)
- Other income	710,119	6,573,701
- Investment related expenses	-	(241,342)
Profit before tax for the Group	(10,392,824)	279,592

Geographic segments	2010 Revenues $	2010 Non-Current Assets $	2009 Revenues $	2009 Non-Current Assets $
Australia	758,810	31,319,723	6,816,139	44,201,083
Tanzania	-	3,339	3	5,400
India	-	-	-	-
Mozambique	-	-	-	-
Consolidated	758,810	31,323,062	6,816,142	44,206,483

Reconciliation of non-current assets for geographical segments to the group's total non-current assets is provided as follows:

Consolidated	2010 $	2009 $
Non-current assets for Geographical Segments (see above)	31,323,062	44,206,483
- Deferred tax assets	1,896,102	-
Non-current assets for Group (see Balance Sheet)	33,219,164	44,206,483

24. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and consolidated entity's activities expose it to a variety of financial risks, including market , credit and liquidity risk. For the Group market risk includes interest rate risk, foreign currency risk and equity securities price risk.

Financial risk management is carried out by the Group's Chief Financial Officer and Managing Director, in close co-operation with the Board. The Group obtains independent external advice as required to assist it in understanding and managing its exposures and risks. The Consolidated entity held the following financial instruments at reporting date:

Consolidated	Note	2010 $	2009 $
Financial assets			
Cash and cash equivalents	16(b)	22,368,333	7,658,517
Bonds and deposits	6(b)	994,030	1,001,205
Trade and other receivables	6	692,521	448,003
Other financial assets	8	12,787,113	29,247,673
Total Financial Assets		36,841,997	38,355,398
Financial liabilities			
Trade and other payables	12	6,345,619	742,106
Total Financial Liabilities		6,345,619	742,106

Recognised Financial Instrument	Balance Sheet Notes	Accounting Policies	Terms & Conditions
i) Financial Assets			
Receivables – Other	6	Receivables are carried at nominal amounts due	
Shares in listed entities	8	Other financial assets are carried at market value where market prices are readily available, or at cost subject to impairment testing	
Investments	8	Investments are carried at market value where market prices are readily available, or at cost	

		subject to impairment testing.	

Recognised Financial Instrument	Balance Sheet Notes	Accounting Policies	Terms & Conditions
ii) Financial Liabilities			
Payables	12	Liabilities are recognised for the amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are nominally settled on 30 day terms.
Interest bearing liabilities		Other loans are carried at the principal amount. Interest is charged as it accrues.	
iii) Equity			
Ordinary Shares	14	Ordinary share capital is recognised at the issue price of the shares less capital raising costs.	

(a) Market Rate Risk

(i) Interest Rate Risk

The consolidated entity and the Company are exposed to interest rate volatility on deposits. Deposits at variable rates expose the consolidated entity and the Company to cash flow interest rate risk. Deposits at fixed rates expose the consolidated entity to fair value interest rate risk. The consolidated entity and the Company are not exposed to an interest rate risk on borrowings or convertible securities, as no such facilities are in place.

The exposure to interest rates is noted below recognised and unrecognised at the balance date, are as follows:

	Effective Average Interest Rate (%)	Variable Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
2010 (Consolidated)					
Financial assets					
Cash and cash equivalents	**5.3**	**5,176,952**	**17,111,267**	**80,114**	**22,368,333**
Bonds and deposits	**5.0**	**-**	**965,884**	**28,146**	**994,030**
		5,176,952	**18,077,151**	**108,260**	**23,362,363**
2009 (Consolidated)					
Financial assets					
Cash and cash equivalents	**3.4%**	**458,285**	**7,000,000**	**200,232**	**7,658,517**
Bonds and deposits	**3.7%**	**-**	**965,884**	**35,646**	**1,001,530**
		458,285	**7,965,884**	**235,878**	**8,660,047**

All fixed deposits are held for periods of less than 6 months.

(i) Interest Rate Risk

Sensitivity Analysis

The following tables summarise the sensitivity of the Group' financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2010 and 2009.

2010 (Consolidated)		**Interest Rate Risk -100 basis points (-1%)**		**Interest Rate Risk +100 basis points (+1%)**	
	Carrying Amount	Net Profit/ (Loss) $	Equity $	Net Profit/ (Loss) $	Equity $
Financial Assets					
Cash and cash equivalents	**$5,176,952**	**(51,769)**	**(51,769)**	**51,769**	**51,769**

2009 (Consolidated)		**Interest Rate Risk -100 basis points (-1%)**		**Interest Rate Risk +100 basis points (+1%)**	
	Carrying Amount	Net Profit/ (Loss) $	Equity $	Net Profit/ (Loss) $	Equity $
Financial Assets					
Cash and cash equivalents	**$458,285**	**(4,583)**	**(4,583)**	**4,583**	**4,583**

(ii) Foreign Currency Exchange Risk

The Group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than Australian dollars, the Group's presentation currency.

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States dollar, the Canadian dollar, Indian rupees, Mozambique New Meticals and to Tanzania schillings.

The Group has not formalised a foreign currency risk management policy and its holds only limited amounts of cash in foreign currencies at any point in time. The Group monitors foreign currency expenditure in light of exchange rate movements and retains the right to withdraw from the foreign exploration commitments after minimum expenditure targets have been met.

It is anticipated that during the forthcoming 2011 financial year the Group will commence earning revenues that are likely to be denominated in United States dollars. The Board is currently assessing its exposure that will result from these revenues as only limited natural currency hedges exist in relation to a small amount of the operating entities operating costs. The Board and Management will be assisted by independent external experts as and when required to assist in developing its foreign currency risk management policies and exposures.

No sensitivity has been made for foreign currency risk as management considers it does not have any material impact.

(iii) Equities securities price risk management

The Group is exposed to equity securities price risk which arises from investments held in other publicly listed companies. The Group does not actively trade these investments and they are carried at fair value based on the quoted share prices as stipulated by AASB 7.

As the market adjustments to fair value are made through equity accounts, the sensitivity of the Group to share price movements does not impact the income statement. An increase in the share price of these listed securities of 1% and 25% will increase Group's equity position by $127,872 and $3,196,800 respectively and a decrease of 1% and 25% will decrease the Group's equity position by $127,872 and $3,196,800 respectively.

(b) Credit Risk Exposures

The Group has accounts receivable arising primarily through transactions with associate companies, joint venture partners and government authorities. The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements.

The Group monitors its accounts receivable and provides for doubtful debts to the extent it considers the Group to be exposed to any credit risk. As the Group does not have any trading debtors or significant stock levels, a formal credit risk management policy is not maintained.

It is anticipated that sales revenue from mining operations will commence during the 2010/2011 financial year and as a result credit risk will be reviewed. The sales to be made during the forthcoming year are under a life of mine sales contract to a large IMX shareholder, Jilin Tonghua. As such the Group's credit risk exposure on product sales is limited to this single customer. The credit risk of this customer has been assessed by the Board and Management when the contract was entered and has been regularly assessed since that date. Credit assessments will be performed regularly to ensure that this customer is performing under the life of mine sales contract.

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No sensitivity has been made for credit risk exposures.

(c) Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost effective manner.

The Group's treasury function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The Group does not have any long term liabilities or borrowings and thus liquidity is to manage the current financial commitments and requirements of the Group against the available cash resources.

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, IMX Resources Limited has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(h) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(i) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(j) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Group's assets and liabilities measured and recognised at fair value at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Equity securities (shares in other listed entities)				
- Current	**236,604**	**-**	**-**	**236,604**
- Non-Current	**12,550,509**	**-**	**-**	**12,550,509**
	12,787,113	**-**	**-**	**12,787,113**

25. JOINT VENTURE

The Company has interests in unincorporated joint ventures as follows:

Joint Venture	Principal Activities	Interest 2010	Interest 2009	Carrying value 30 June 2010
Dingo Well	On 23 June 2009 Regis Resources NL advised they had no further interest.			

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. Refer to Note 18(a) for exploration commitments.

The Company has interests in joint ventures entities as follows:

Joint Venture	Principal Activities	Interest 2010	Interest 2009	Carrying value 30 June 2010
Nachingwea	Mineral exploration. Continental Nickel Ltd may earn a further 5% interest by spending in aggregate $15m CAD and a further 5% interest on completion of a feasibility study. If both the aggregate spending and feasibility study are completed each shareholder must pro-rata fund future work programs or dilute.	**30%**	**30%**	**-**

The Group has the following royalty interests.

Gawler and Curnamona	A 1% net smelter return on EL 2874. On 20 March 2009, IMX entered into a Royalty Sale Agreement with Southern Cross Royalties Limited of the United Kingdom to sell its interests in the 1% net smelter return for $6,000,000.
Craton	A $1 per metric tonne for ore mined and treated royalty from EL 3258, up to $2,000,000.

	Consolidated 2010 $	Consolidated 2009 $

26. SHARE BASED PAYMENTS

(a) Recognised share based payment expenses

	2010 $	2009 $
Expense arising from equity-settled share based payment transactions		
- vested	**30,326**	**417,538**
- not vested [(1)]	**45,598**	**131,616**
	75,924	**549,154**

[(1)] The amount expensed in relation to not-vested amounts relates to options that had, at 30 June 2010, not met their vesting conditions. A further amount of $53,528 will be expensed during the 30 June 2011 financial year in relation to these options.

(b) Employee Share Scheme

On 27 November 2007, shareholders adopted the IMX Resources NL Share and Option Incentive Plan ("Plan") and subsequently adopted amendments on 25 June 2008. The Plan entitles Directors, key management personnel and employees to purchase shares in the Company.

All options granted under the Plan expire on the earlier of the expiry date being a maximum of 5 years after the grant date or 6 months after the Eligible Employee ceases to be employed by the Group. The exercise price shall not be less than the 5 day volume weighted average price of the Company's ordinary shares immediately prior to the Board Determination Date.

As at 30 June 2010 12,375,000 (30 June 2009: 11,060,000) options have been issued to Eligible Employees

(c) Summary of Options Granted under the Plan

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Outstanding	**11,360,000**	**$0.52**	**5,960,000**	**$0.52**
Granted during the year	**1,475,000**	**$0.41**	**5,400,000**	**$0.54**
Exercised during the year	**(100,000)**	**$0.34**		
Cancelled/expired during the year	**(360,000)**	**$0.50**		
Outstanding at the end of the year	**12,375,000**	**$0.52**	**11,360,000**	**$0.53**

(d) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 30 June 2010 is 2.84 years (2009: 4.0 years)

(e) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year is 29 cents to 56.8 cents.

(f) Option pricing model

The fair value of the equity settled share options granted under the Plan is estimated as at the date of grant/issue using a Black-Scholes Option pricing model taking into account the terms and conditions upon which the options were granted/issued.

The following table lists the inputs to the model used for the years 30 June 2010 and 30 June 2009:

	2010	2009
Dividend Yield	**0%**	**0%**
Expected volatility	**55%**	**60%**
Risk free interest rate	**4.50%**	**4.72 - 5.58%**
Expected life (years)	**5**	**5**
Option exercise price (cents)	**38**	**49 – 56.8**
Share price at grant date (cents)	**38**	**27 - 40**

The expected life of the options is fixed at the time of issue and is not necessarily indicative of when they may be exercised. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

27. EMPLOYEE SUPERANNUATION COMMITMENTS

The Group contributes to superannuation for employees in accordance with the Government Superannuation Guarantee Legislation. The Group has no obligation to meet any shortfall in the superannuation funds obligations to provide benefits to employees on retirement.

28. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2010 the parent company of the Group was IMX Resources Limited.

Results of the parent entity	Note	30 June 2010	30 June 2009
Profit/(loss) for the period		**(5,619,223)**	**1,970,145**
Other comprehensive income		**(10,541,938)**	**(21,491,722)**
Total comprehensive income for the period		**(16,161,161)**	**(19,521,577)**
Financial position of the parent entity at year end			
Current assets		**23,998,409**	**7,877,630**
Total assets		**58,292,910**	**45,910,228**
Current liabilities		**4,971,750**	**735,182**
Total liabilities		**5,018,974**	**774,763**
Total equity of the parent entity comprising of:			
Share capital		**86,005,462**	**61,781,754**
Reserves		**12,027,073**	**22,493,087**
Retained Earnings		**(44,758,599)**	**(39,139,376)**
Total Equity		**53,273,936**	**45,135,465**

The parent entity does not have any contingent liabilities and is not aware of any legal or other actions that have or are being brought against the company.

29. SUBSEQUENT EVENTS

On 12 July 2010 the Company issued 29,450,000 ordinary shares at a price of 48.4 cents per share. Taifeng Yuanchuang International Development Co., Ltd ("Taifeng") was issued 21,691,000 ordinary shares and OZ Minerals Investments Pty Ltd was issued 7,759,000 ordinary shares.

On 12 July 2010 the Company received Foreign Investments Review Board ("FIRB") conditional approval for the investment from Taifeng into IMX and Outback Iron Pty Ltd (the subsidiary that holds Termite Resources NL, the owner of ML 6303). On 15 July FIRB confirmed all the conditions for its approval had been met. The company expects to receive the first tranche of investment from Taifeng in Outback Iron Pty Ltd ("Outback") in mid September 2010. Under the Heads of Agreement between IMX and Taifeng and as a result of the payment of these monies Outback has issued new share capital to Taifeng to represent their 49% shareholding in Outback. Outback represents an incorporate Joint Venture company between IMX and Taifeng, which remains under the control of IMX.

On 29 July 2010 the Company issued 2,550,000 options to directors, including the Managing Director. The issue represent the initial director's allocations for John Nitschke and Song Yuan Gang, both new directors, with allocations of 500,000 options each at an exercise price of $0.44 per option. These options have a life of 5 years and vest immediately. In addition Mr Jooste-Jacobs, Mr Hunt and Mr Haggarty were issued 350,000 options each and Mr McBain was issued 500,000 options, all with a life of 5 years, an exercise price of $.049 per option and immediate vesting. Approval for the issue of options to directors is required from shareholders and will be sought at the next Annual General Meeting.

On 13 August 2010 the Company cancelled 950,000 expired options. These options had vested but were issued to an employee who has subsequent left the employment of IMX and under the terms of the IMX Share and Option Incentive Plan were cancelled.

On 27 August 2010 the Company issued options to purchase ordinary shares in IMX to employees. A total of 1,525,000 were granted at an exercise price of $0.41 per ordinary share with a life of 5 years.

On 27 August 2010 the Company announced that it had requested a meeting of shareholders Uranex NL in which it holds a significant investment. This meeting was called to vote on the removal of the Messrs Daley, Cottle, Udovenya and Cusworth, being directors of Uranex and the appointment of Messrs Jacobs and Hunt to the Board. Messrs Jacobs and Hunt are both non-executive directors of IMX Resources Limited. Subsequent to this request Messrs Daley, Cottle, Udovenya and Cusworth resigned as directors of Uranex.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Directors' Declaration

(1) In the opinion of the directors:

(a) the financial statements and notes set out on pages 32 to 68 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of the performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) The financial report also complies with International Financial Reporting Standards as disclosed in note 1(a)

(d) the audited remuneration disclosures as set out in the Director's Report comply with s300A of the *Corporations Act 2001.*

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2010.

On behalf of the board

Managing Director
PERTH
On this 22nd day of September 2010

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IMX RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of IMX Resources Limited, which comprises the statement of financial position as at 30 June 2010, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of IMX Resources Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(a) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of IMX Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001.*

BDO Audit (WA) Pty Ltd

BDO Audit

C Burton

Chris Burton
Director

Perth, Western Australia
Dated this 22nd day of September 2010

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

22 September 2010

The Directors
IMX Resources Limited
Unit 18, Level 2
100 Railway Road
SUBIACO WA 6008

Dear Sirs,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF IMX RESOURCES LIMITED

As lead auditor of IMX Resources Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of IMX Resources Limited and the entities it controlled during the period.

C Burton

Chris Burton
Director

BDO

BDO Audit (WA) Pty Ltd

Perth, Western Australia

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 September 2010.

(a) DISTRIBUTION OF EQUITY SECURITIES

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	**300**	**213,966**
1,001	-	5,000	**985**	**2,898,499**
5,001	-	10,000	**615**	**5,196,246**
10,001	-	100,000	**1,060**	**35,341,959**
100,001		and over	**224**	**216,602,133**
			3,184	**260,252,803**
The number of shareholders holding less than a marketable parcel of shares are:			**309**	**223,288**

	Options	
	Number of holders	**Number of options**
100,001 and over	**11**	**12,500,000**
	11	**12,500,000**

There is no current on-market buy-back

(b) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	Taifeng Yuanchuang International Development Co., Ltd	**51,771,000**	**19.89%**
2	OZ Minerals Investments Pty Ltd	**33,909,000**	**13.03%**
3	Jilin Tonghua Iron and Steel (Group) Mining Co., Ltd	**16,394,000**	**6.30%**
4	Anglo American Investments (Aust) Limited	**9,147,770**	**3.51%**
5	Haggarty, Anthony	**5,120,000**	**1.97%**
6	Rogers, GA & Cook, MA	**4,541,469**	**1.75%**
7	Moffat, Alan Harvey	**4,412,041**	**1.70%**
8	J P Morgan Nominees Aust. Ltd	**3,306,850**	**1.27%**
9	Truscott, John Whitford	**3,255,840**	**1.25%**
10	Taycol Nominees Pty Ltd	**3,000,000**	**1.15%**
11	National Nominees Ltd	**2,836,167**	**1.09%**
12	HSBC Custody Nominees	**2,594,100**	**1.00%**
13	RBC Dexia Investor Services	**2,242,200**	**0.86%**
14	ANZ Nominees Ltd	**2,061,305**	**0.79%**
15	HFTT Pty Ltd	**1,944,522**	**0.75%**
16	Your Child's Nursery Pty Ltd	**1,500,000**	**0.58%**
17	Moffatt, A H & S M	**1,432,559**	**0.55%**
18	Stern, Raymond Frank	**1,373,000**	**0.53%**
19	Edex Resources Pty Ltd	**1,285,794**	**0.49%**
20	Darver Inv Incorporated	**1,250,000**	**0.48%**
		153,377,617	**58.93%**

ASX Additional Information

(c) SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
Taifeng Yuanchuang International Development Co. Ltd	**51,771,000**
OZ Minerals Investments Pty Ltd	**33,909,000**
Jilin Tonghua Iron and Steel (Group) Mining Co. Ltd	**16,394,000**

(d) VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options have no voting rights until such time as they are exercised and shares issued.

(e) TENEMENT SCHEDULE

Tenement Number	Tenement Name	Locality	Group Ownership
EL3729	Warrina North	South Australia	100
EL3730	Warrina South	South Australia	100
EL3387	Mt Paisley	South Australia	100
EL3445	Kangaroo Dam	South Australia	100
EL3518	Mt Woods	South Australia	100
EL3830	Mt Brady	South Australia	100
EL4446	Yarrabolina Hill	South Australia	100
ML 6303	Cairn Hill	South Australia	100
EL17/2007	Dunns	Tasmania	100
EL46/2006	Smithton	Tasmania	100
EL47/2006	Mt Frankland	Tasmania	100
EL48/2006	Mt Lileah	Tasmania	100
EL49/2006	West Montagu	Tasmania	100
E37/890		Western Australia	100
P37/7326		Western Australia	100
P37/7327		Western Australia	100
P37/7328		Western Australia	100
P37/7329		Western Australia	100
P37/7333		Western Australia	100
P37/7339		Western Australia	100
P37/7340		Western Australia	100
PL2376/2003	Katobala	Tanzania	100
PL2377/2003	Mibango	Tanzania	100
PL3390/2005	Mapuli	Tanzania	100
PL3403/2005	Mwese	Tanzania	100
PL3448/2005	Sinanga	Tanzania	100
PL3450/2005	Sipala Hill	Tanzania	100
PL3451/2005	Tembwe	Tanzania	100
PL3456/2005	Mnimba	Tanzania	100
PL3860/2005	Pembamwitu	Tanzania	100
PL4094/2007	Busonawae II	Tanzania	100
PL4303/2006	Kongamale	Tanzania	100
PL4306/2006	Mbuti	Tanzania	30
PL4307/2007	Namatutwa	Tanzania	30
PL4414/2007	Lipuyu	Tanzania	30
PL4415/2007	Nachihangi	Tanzania	30
PL4416/2007	Mjembe	Tanzania	30
PL4417/2007	Nangano	Tanzania	30
PL4418/2007	Noli	Tanzania	30
PL4419/2007	Namatumbusi	Tanzania	30
PL4421/2007	Lionja	Tanzania	30
PL4422/2007	Ntaka	Tanzania	30
PL4423/2007	Mnero	Tanzania	30

ASX Additional Information

PL4424/2007	Mtua	Tanzania	30
PL4464/2007	Namajani	Tanzania	30
PL4465/2007	Nambugu	Tanzania	30
PL4466/2007	Nambu	Tanzania	30
PL4485/2007	Lukuledi	Tanzania	30
PL4486/2007	Nanyindwa	Tanzania	30
PLR4224/2007	Iguzi West	Tanzania	100
PLR4305/2007	Mpinga	Tanzania	100
PL4468/2007	Mtpula	Tanzania	30
PLR4714/2007	Rappa	Tanzania	30
PL4917/2008	Mbangala	Tanzania	30
PL4918/2008	Lukumbi	Tanzania	30
PLR4890/2007	Nepanga	Tanzania	30
PL5447/2008	Noli SE	Tanzania	30
PL4908/2008	Lubalisi	Tanzania	100
PL5033/2008	Mahari A	Tanzania	100
PL5039/2008	Mgabogabo	Tanzania	100
PL5054/2008	Kampese	Tanzania	100
PLR5843/2009	Kamarandala	Tanzania	100
PLR5591/2008	Nyundwe Hill	Tanzania	100
PLR5592/2008	Wakabufisa	Tanzania	100
PLR6164/2009	Milanga	Tanzania	100
PL4983/2008	Gombo	Tanzania	100
PL4984/2008	Mafwemiro	Tanzania	100
PL5086/2008	Munisagard	Tanzania	100
PL5970/2009	Kidete 2	Tanzania	100
PL5971/2009	Matambare	Tanzania	30
PL5977/2009	Naujombo	Tanzania	30
PL5978/2009	Kihangara North	Tanzania	30
PL6073/2009	Chilalo	Tanzania	30
PL6148/2009	Mbwemburu North	Tanzania	30
PL6149/2009	Chilalo West	Tanzania	30
PL6153/2009	Mbwemburu	Tanzania	30
PL6154/2009	Nachingwea SW	Tanzania	30
PL6156/2009	Noli SW	Tanzania	30
PL6158/2009	Kiperere East	Tanzania	30
PL6161/2009	Mtimbo	Tanzania	30
PL6165/2009	Kidete 4	Tanzania	100
PL6178/2009	Kidete 1	Tanzania	100
PL6181/2009	Mujira NW	Tanzania	30
PL6413/2010	Kidete 3	Tanzania	100
1656L		Mozambique	100
2378L		Mozambique	100
2379L		Mozambique	100
2484L		Mozambique	100
2486L		Mozambique	100
2487L		Mozambique	100
2488L		Mozambique	100