



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

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## High Grade Massive Sulphides up to 13.63% Nickel Intersected at Sleeping Giant, Tanzania

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce that high grade massive nickel-copper sulphides have been intersected in the first core hole of the recently completed "Phase II" diamond drilling programme at "Sleeping Giant" at the Nachingwea JV Project in southern Tanzania. Drill hole NAD10-220 intersected **2.63m at 13.63% Ni, 2.17% Cu and 0.21% Co** from a wider 23.3m interval grading 2.58% Ni and 0.41% Cu. The project is a 25:75 Joint Venture between IMX Resources and Continental Nickel Limited (CNI) of Canada.

Drill hole NAD10-220 successfully tested the Sleeping Giant zone 100m along strike to the north of drill hole NAD10-211 which previously intersected 53.1m at 0.74% Ni and 0.15% Cu (ASX: September 23, 2010). NAD10-220 intersected 23.3m of disseminated, stringer to massive sulphide mineralisation grading 2.58% Ni and 0.41% Cu which included the high grade massive sulphide zone from 338.55m. Subsequent holes NAD10-221 and 223 also intersected the sulphide zone 100 and 200 metres up dip to the east. Both these drill holes intersected intervals of largely disseminated sulphide mineralisation for which assays are pending. The mineralisation remains open down dip to the west.

Managing Director Duncan McBain said "This exciting result highlights the potential for the Sleeping Giant zone to host high grade nickel - copper sulphide mineralisation as well as the disseminated mineralisation previously reported. The high grade mineralisation definitely adds to the Sleeping Giant story".

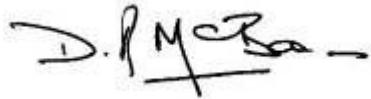
The Phase II drilling programme at Sleeping Giant comprised 7 drill holes totalling 2,036.4m. The programme was designed to test for extensions along strike and up plunge to the north, and up dip to the east of the original discovery drill holes. All drill holes intersected variable zones of disseminated, stringer and net-textured sulphide mineralisation with occasional narrow intervals of massive sulphide corresponding to the Sleeping Giant Zone. Drilling has now confirmed the presence of sulphide mineralisation for at least a 500 metre strike length and up to 300m down dip with the zone remaining open in all directions. Further assay results are awaited.

A full discussion of results can be viewed on the CNI release to the TSXV attached below.

### Nachingwea Holding Structure

IMX's interest in the Nachingwea Ni-Cu Project is held through a direct 25% interest in the Tanzanian joint venture company, Ngwena Limited, and indirectly through a 37.2% interest in CNI. CNI recently completed its expenditure of Cdn\$15m to earn an additional 5% of the

joint venture, which reduced IMX's joint venture interest to 25%. IMX is participating on a pro rata basis according to its joint venture interest.



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

For further information, please contact:

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

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

## About IMX Resources Limited

IMX Resources Limited (ASX:IXR) – is headquartered in Perth, Western Australia, is listed on the Australian Stock Exchange (ASX) with a current market capitalisation of approximately \$160m.

IMX is an active diversified mining company with projects in South Australia, Tasmania, Tanzania and Mozambique, East Africa, focusing on a range of commodities including iron-ore, nickel, gold, copper, platinum and uranium.

The company is disciplined in following a careful strategy to maximise shareholder value by discovering and developing ore bodies. IMX achieves this by participating in multiple, quality exploration projects in joint ventures with global mining companies, and by listing spin-off companies, to ensure programs with high potential are well-funded, while retaining a significant interest to provide exposure for IMX shareholders.

Subject to the successful completion of the terms of the HOA, IMX owns 51% of the Cairn Hill project, 55 kilometres south-east of Coober Pedy, South Australia. This unique magnetite Fe – Cu – Au project is close to the Darwin to Adelaide railway line. Phase 1, which is currently under development, is a DSO magnetite project. Testwork indicates that the ore produces a premium coarse grained magnetite product, with a clean saleable Cu / Au concentrate. IMX has a Phase 1 life of mine sales offtake agreement with Jilin Tonghua Iron & Steel (Group) Mining Co Ltd for the DSO magnetite production. Beyond Phase 1, preliminary metallurgical testwork has been completed on Phase 2 of the project targeted at producing a premium grade magnetite concentrate, with the calculation of the resource for this phase in progress.

IMX owns 100% of the iron ore rights on the Mt Woods tenements where besides the potential of Phase 3 magnetic anomalies outside ML6303, recent drilling has intersected magnetite to the south and west of Cairn Hill with target mineralisation of 320-550mt @ 25-35% Fe based on the drilling, ground gravity and aeromagnetics.

The immediate upside for Cairn Hill / Mt Woods remains the definition of further resources to support a long term 3-5mtpa iron ore operation.

IMX has a joint venture with OZ Minerals for the non-iron ore rights on its Mt Woods tenements. OZ Minerals has 51% of the joint venture and must spend \$20m over 5 years to retain this interest. OZ Minerals is targeting Prominent Hill style copper / gold mineralisation.

In Tanzania, IMX holds 100% of the Mibango nickel / copper / platinum project.

IMX spun off 70% of the Nachingwea Nickel - Copper project in Tanzania into a Continental Nickel Limited (TSXV:CNI) in August 2007. IMX currently holds 37.2% of Continental Nickel and retains a 25% interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 26.7% of Uranex (ASX:UNX), a spin-off company from IMX , which listed on the ASX in October 2005 and is dedicated uranium company with assets in Australia and Tanzania.

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## Press Release

### Continental Nickel Intersects High Grade Sulphides Grading 5.01% Nickel and 0.77% Copper over 9.3 Metres at the Sleeping Giant Zone on the Nachingwea Nickel Project, Tanzania

Toronto, Ontario (December 13, 2010): Continental Nickel Limited (TSXV: CNI) ("Continental" or "CNI" or the "Company") is pleased to announce that the first drill hole of its recently completed seven hole "Phase II" diamond drilling program at the newly discovered "Sleeping Giant" zone on the Nachingwea Project ("Nachingwea") in Tanzania has intersected high grade nickel-copper sulphide mineralization. Diamond drill hole NAD10-220 intersected a 9.3 metre interval grading 5.01% nickel and 0.77% copper, including an interval of massive sulphide grading 13.63% nickel and 2.17% copper over 2.65 metres, from within a wider 23.3 metre interval grading 2.58% nickel and 0.41% copper. The project is a 75:25 Joint Venture between CNI and IMX Resources Limited ("IMX") of Australia.

The Company has just concluded its \$4.4 million 2010 exploration program at the Nachingwea Project, which included the expanded "Phase II" drilling program targeting the newly discovered Sleeping Giant nickel-copper sulphide zone. The Phase II drilling program involved the completion of seven drill holes, totalling 2,036.4 metres, to test for extensions to the zone along strike and up plunge to the north and up dip to the east of the original discovery drill holes.

Assay results for the first drill hole totalling 398.2 metres are reported herein and are provided below as Table I. A location figure may be viewed using the link provided with this release.

#### NAD10-220 (Sleeping Giant)

Drill hole NAD10-220 was drilled to a depth of 398.2 metres and was positioned 100 metres along strike to the north of drill hole NAD10-211. NAD10-211 previously intersected a 53.1 metre interval of disseminated, stringer and net textured sulphide mineralization grading 0.74% nickel and 0.15% copper, including a higher grade interval near the base of the zone, grading 1.07% nickel and 0.19% copper over 19.0 metres (Press Release September 22, 2010).

NAD10-220 intersected a 23.3 metre interval of disseminated, stringer to massive sulphide mineralization grading 2.58% nickel and 0.41% copper corresponding to the interpreted position of the Sleeping Giant zone. Higher grade intervals include 9.3 metres grading 5.01% nickel and 0.77% copper which includes a 2.65 metre interval of massive sulphide mineralization grading 13.63% nickel and 2.17% copper. The sulphide zone has been drilled 100 and 200 metres up dip to the east in drill holes NAD10-221 and 223 and remains open down dip to the west. Both these drill holes intersected intervals of largely disseminated sulphide mineralization for which assays are pending.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "This is an outstanding early drill result from this developing new discovery at Sleeping Giant, and highlights the potential for the zone to host high grade nickel copper sulphide mineralization. With all seven drill holes successfully

intersecting sulphide mineralization, our confidence in the potential to ultimately outline a large sulphide zone is increasing rapidly."

All seven drill holes of the Phase II drilling program intersected variable zones of disseminated, stringer and net-textured sulphide mineralization with occasional narrow intervals of massive sulphide mineralization corresponding to the Sleeping Giant Zone. Drilling has now confirmed the presence of sulphide mineralization for at least a 500 metre strike length and up to 300m down dip. The zone remains open in all directions. Further assay results will be reported once they are received, validated and compiled.

### **Qualified Persons**

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

### **Quality Control**

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

### **About Continental Nickel**

Continental Nickel Limited is focused on the exploration, discovery and development of nickel sulphide deposits in geologically prospective, but under-explored regions globally. The Company's key asset is its 75% interest in the Nachingwea project in Tanzania, where NI 43-101 Mineral Resources have defined 40,000 tonnes of contained nickel, and ongoing exploration is underway to evaluate the potential to expand these Resources.

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

Continental Nickel Limited has 38,943,664 shares issued and outstanding (46,211,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with over C\$10.8 million in the treasury.

On behalf of  
**Continental Nickel Limited**

*“Craig MacDougall”*  
President & Chief Executive Officer

**For further information please contact:**

**Continental Nickel Limited**

Craig MacDougall, P. Geo.  
President and CEO  
Tel: (905) 815-0533  
Fax: (905) 815-0532

Marguerite Manshreck-Head  
Investor Relations  
Tel: (613) 395-4487

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

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

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

| Drill hole (NAD10-)                    | Location East/ North UTM:WGS84 | Az / Dip  | Length (m) | From (m)                                    | To (m)                            | Interval (m)                 | % Ni                          | % Cu                         | % Co                         |
|--|--------------------------------|-----------|------------|---|-----------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|
| <b>Sleeping Giant Zone, Ntaka Hill</b> |                                |           |            |   |                                   |                              |                               |                              |                              |
| 220                                    | 450060mE<br>8883493mN          | 090 / -77 | 398.2      | 324.5<br>Incl:<br>327.25<br>333.9<br>338.55 | 347.8<br>343.2<br>343.2<br>341.20 | 23.3<br>15.95<br>9.3<br>2.65 | 2.58<br>3.51<br>5.01<br>13.63 | 0.41<br>0.55<br>0.77<br>2.17 | 0.05<br>0.06<br>0.08<br>0.21 |

*Note:*

*Intervals represent core lengths, not necessarily true widths.*

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

*NSA – No Significant Assays*

