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More High Grade Nickel Sulphides at Sleeping Giant, Nachingwea JV Project, Tanzania

Iron ore producer, IMX Resources Limited (ASX:IXR) is pleased to announce that final assay results have been received from the remaining six diamond drill holes of the recently completed seven hole 'Phase II' diamond drilling programme at the 'Sleeping Giant' zone on the Nachingwea JV Project in southern Tanzania. The project is a 25:75 Joint Venture between IMX Resources and Continental Nickel Limited (CNI) of Canada.

Highlights include:-

- **0.6m at 14.45% Ni, 0.40% Cu and 0.20% Co from 218.15m within a wider 17.25m interval of 2.28% Ni, 0.57% Cu and 0.04% Co in hole NAD10-226**
- **6.05m at 1.00% Ni, 0.21% Cu from a wider 33m interval grading 0.55% Ni, and 0.12% Cu in hole NAD10-224**

The 7 hole, 2,036.4m Phase II drill programme at Sleeping Giant 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 have successfully intersected 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. The Sleeping Giant zone remains open in all directions and appears to be increasing in grade down dip to the west on several sections. In addition, the drilling has also intersected new zones of disseminated sulphide mineralisation above the Sleeping Giant zone, which require further exploration.

With assay results now received for all drill holes, 3D modelling and a geological interpretation of the Sleeping Giant zone is underway in advance of a planned Mineral Resource Estimate.

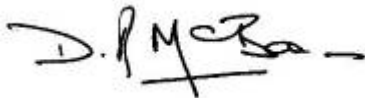
With the completion of the 2010 Nachingwea field programme in December, a revised Mineral Resource estimate for the Ntaka Hill area is currently in progress. The study is being updated by URS/Scott Wilson of Toronto and the results are expected in February.

Assay results from a 24 hole RC drill program (totalling 2,257 metres) targeting regional exploration targets completed in November 2010, will be reported once they are fully received, validated and compiled.

A detailed discussion of results including a drill location diagram 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.



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About IMX Resources Limited

IMX Resources Limited (ASX:IXR) – is headquartered in Perth, Western Australia, is listed on the Australian Stock Exchange (ASX) with a current market capitalisation of approximately \$170m.

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

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.

IMX owns 51% of the Cairn Hill project, 55 kilometres south-east of Coober Pedy, South Australia close to the Darwin - Adelaide railway. Phase 1 is a unique magnetite Fe – Cu – Au DSO project. 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 the Sichuan Taifeng Group. A Phase 2 resource is expected around the end of Q1 2011 with the aim of an accelerated development program. Phase 2 is a high grade magnetite project where production of a saleable $\pm 60\%$ Fe intermediate concentrate using dry magnetic separation is planned.

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 28.0% of Uranex (ASX:UNX), a spin-off from IMX, which is dedicated uranium company with assets in Australia and Tanzania.

Visit: www.imxresources.com.au

Press Release

Continental Nickel Intersects More High Grade Sulphides Grading 2.28% Nickel and 0.57% Copper over 17.25 Metres at the Sleeping Giant Zone on the Nachingwea Nickel Project, Tanzania

Toronto, Ontario (January 24, 2011): Continental Nickel Limited (TSXV: CNI) ("Continental" or "CNI" or the "Company") is pleased to report that it has received the final assay results from the remaining six diamond drill holes 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. The project is a 75:25 Joint Venture between CNI and IMX Resources Limited ("IMX") of Australia. Highlights include drill hole NAD10-226 which intersected a high grade sulphide interval grading 3.97% nickel and 0.16% copper over 4.7 metres, from within a wider interval grading 2.28% nickel and 0.57% copper over 17.25 metres, at the northern limit of drilling. NAD10-226 is located approximately 200 metres north along strike of drill hole NAD10-220, which as previously reported (Press Release December 13, 2010), also intersected a high grade sulphide interval grading 2.58% nickel and 0.41% copper over 23.3 metres, including 5.01% nickel and 0.77% copper over 9.3 metres. The Sleeping Giant zone remains open in all directions.

Field activities from the Company's 2010 exploration program were completed in December 2010. With the encouraging early results from the Sleeping Giant discovery, the 2010 drill program was expanded to allow for the completion of an additional seven drill holes, totalling 2,036.4 metres. This "Phase II" program was designed 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. All seven drill holes intersected variable zones of largely disseminated sulphide mineralization, often associated with intervals of stringer to net-textured sulphide mineralization and occasional narrow intervals of massive sulphide mineralization corresponding to the Sleeping Giant Zone.

Assay results for the final six drill holes totalling 1,638.2 metres are reported herein and are provided below as Table I. A location figure may be viewed using the link provided with this release.

Sleeping Giant

Section 3500N

Drill holes NAD10-221 and 223 were drilled to depths of 298.8 and 220.8 metres, respectively, and were designed to intersect the Sleeping Giant zone up dip of drill hole NAD10-220. Both holes intersected intervals of disseminated sulphide mineralization corresponding to the Sleeping Giant zone. NAD10-220, as previously reported, 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 (Press Release December 13, 2010).

Drill Hole NAD10-221 intersected a zone of disseminated sulphides, corresponding to the Sleeping Giant zone, 150 metres up dip of NAD10-220. The zone grades 0.50% nickel and 0.12% copper over 20.3 metres, including a higher grade interval over 4.2 metres grading 1.34% nickel and 0.35% copper. Drill hole NAD10-223 drilled 90 metres up dip of NAD10-221 and intersected a 7.7 metre interval of disseminated sulphide mineralization grading 0.45% nickel and 0.17% copper.

With three holes completed on this section, the Sleeping Giant zone has been intersected over a 300 metre dip length, with both grade and thickness increasing down dip to the west.

Section 3400N

Drill hole NAD10-222 was drilled to a depth of 283.9 metres to intersect the Sleeping Giant zone up dip of drill hole NAD10-216 which had intersected a sulphide zone grading 0.50% nickel and 0.11% copper over 73.4 metres, including a higher grade interval of 1.22% nickel and 0.21% copper over 15.9 metres (Press Release October 16, 2010). NAD10-222 intersected a 14.75 metre interval of disseminated sulphides, approximately 80 metres up dip of NAD10-216, grading 0.52% nickel and 0.11% copper.

Similar to the drill results from section 3500N (described above), the three drill holes completed on this section (NAD10-211, 216 and 222) indicate the overall grade of the Sleeping Giant zone appears to be increasing down dip to the west.

Section 3600N

Drill holes NAD10-224 and 225 were drilled to a depth of 319.9 and 259.7 metres respectively and are located approximately 100 metres north along strike of drill holes NAD10-211, 216 and 222. Both drill holes intersected disseminated to stringer sulphide mineralization corresponding to the Sleeping Giant zone as well as several new disseminated sulphide zones above the Sleeping Giant as tabulated in Table I. NAD10-224 intersected the Sleeping Giant zone starting at 238.0 metres down hole over a 33.0 metre interval grading 0.55% nickel and 0.12% copper, including a higher grade interval grading 1.00% nickel and 0.21% copper over 6.05 metres.

NAD10-225 was drilled approximately 90 metres up dip of NAD10-224 and intersected an 11.0 metre sulphide interval grading 1.12% nickel and 0.17% copper.

Section 3700N

Drill hole NAD10-226 was drilled to a depth of 255.1 metres, 100 metres north along strike of drill holes NAD10-224 and 225 and is the most northerly hole drilled on the zone to date. The drill hole intersected multiple sulphide zones, including a 17.25 metre interval of disseminated to stringer mineralization with occasional narrow massive sulphide intervals corresponding to the Sleeping Giant zone. The interval grades 2.28% nickel and 0.57% Cu over 17.25 metres and includes a higher grade interval grading 3.97% nickel and 0.16% copper over 4.7 metres. Several narrow, high grade intervals of massive and semi-massive sulphide veins from within the zone individually grade 8.04% nickel and 0.12% copper over 0.85 metres, 14.45% nickel and 0.40% copper over 0.6 metres and 5.52% nickel and 2.16% copper over 1.0 metres.

With the drilling completed to date, the Sleeping Giant zone has been intersected in eleven, wide spaced, drill holes over a 500m strike length and over a dip length of up to 300 metres. The zone is open in all directions and appears to be increasing in grade down dip to the west on several sections. In addition, drilling has intersected additional new zones of disseminated sulphide mineralization located above the Sleeping Giant Zone which require further exploration.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "The recent drill results continue to demonstrate the potential of the Sleeping Giant, both with respect to its expanding size as well as its potential to host higher grade mineralization. The zone remains open along strike in both directions and there are indications that the nickel grade may be increasing at depth. A key objective in 2011 will be to fully explore this rapidly developing new discovery once our field activities commence in April."

Next Steps

With assay results now received for all drill holes from the Sleeping Giant program, geological interpretation and 3D modelling of the zone is currently in progress in advance of a planned Mineral Resource Estimate.

Meanwhile, a revised Mineral Resource estimate for the Ntaka Hill area is currently in progress. The current NI 43-101 compliant Mineral Resources at Ntaka Hill (Measured and Indicated) total 3.1 million tonnes grading 1.31% nickel and 0.24% copper at a US\$23/tonne Net Smelter Return cut-off (Press Release July 15, 2009). The study is being updated by URS/Scott Wilson of Toronto and the results are expected in February.

Assay results from a twenty-four hole reverse circulation drill program (totalling 2,257 metres) targeting regional exploration targets and completed in November, 2010 will be reported once they are fully 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\$9.9 million in the treasury.

On behalf of

Continental Nickel Limited

"Craig MacDougall"

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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
Sleeping Giant Zone, Ntaka Hill									
221	450130mE 8883494mN	090 / -73	298.8	188.9 Incl: 195.8	209.2 200.0	20.3 4.2	0.50 1.34	0.12 0.35	0.02 0.03
222	450208mE 8883429mN	105 / -71	283.9	111.0 222.25	116.0 237.0	5.0 14.75	0.56 0.52	0.13 0.11	0.02 0.02
223	450174mE 8883500mN	090 / -59	220.8	84.0 161.0	90.0 168.7	6.0 7.70	0.48 0.45	0.11 0.17	0.01 0.02
224	450082mE 8883601mN	090 / -72	319.9	30.1 107.35 238.0 Incl: 263.00	38.0 137.35 271.0 269.05	7.9 30.0 33.0 6.05	0.58 0.53 0.55 1.00	0.13 0.16 0.12 0.21	0.02 0.02 0.01 0.02
225	450098mE 8883600mN	090 / -60	259.7	38.0 226.0	44.0 237.0	6.0 11.0	0.51 1.12	0.11 0.17	0.02 0.03
226	450078mE 8883700mN	090 / -67	255.1	71.15 Incl: 71.15 108.1 210.75 Incl: 214.05 214.05 218.15 225.0	79.00 74.40 119.0 228.0 218.75 214.90 218.75 226.0	7.85 3.25 10.9 17.25 4.70 0.85 0.60 1.0	0.66 1.13 0.47 2.28 3.97 8.04 14.45 5.52	0.18 0.36 0.11 0.57 0.16 0.12 0.40 2.16	0.03 0.05 0.02 0.04 0.03 0.14 0.20 0.08

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

