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Second Cairn Hill Ore Shipment

Iron ore producer, IMX Resources Limited (ASX:IXR) announces that Sichuan Taifeng will be the purchaser of the second shipment of Cairn Hill ore after Juhua Group Corporation (Juhua) failed to provide a letter of credit for the shipment as required by the terms of the legally binding term sheet signed last month (ASX announcement 24 January 2011).

Under the legally binding term sheet between Juhua Group (Hong Kong) Limited, Taifeng Yuanchuan International Development Co. Ltd and Termite Resources N.L. (IMX 51%, Sichuan Taifeng 49%), Juhua was due to purchase the shipment currently being loaded with Cairn Hill Phase 1 ore. Unfortunately, Juhua failed to provide a letter of credit for the shipment as stipulated in the term sheet and sought to vary the agreed terms prior to its first shipment. Further discussions will be held with Juhua after the Chinese New Year to determine their performance for the balance of the shipments over four years.

Sichuan Taifeng has agreed to accept the current shipment under its life of mine offtake contract. As such there will not be any revenue or cost impact on IMX, or its operating subsidiary Termite Resources. The flexibility shown by Sichuan Taifeng in firstly agreeing to place ore with a second customer, then agreeing at very short notice to accept the shipment is very positive for the Cairn Hill project going forward.

Termite Resources and Sichuan Taifeng are currently seeking legal advice concerning this failure by Juhua. Subject to the outcome of further discussions with Juhua after the Chinese New Year, Termite Resources and Sichuan Taifeng will consider all options, including legal avenues, available to them.

Duncan McBain, Managing Director of IMX said "While we are obviously disappointed with what has happened, the performance of Sichuan Taifeng has been very positive for Cairn Hill."

"IMX and Sichuan Taifeng will try to resolve the situation with Juhua or alternatively seek to firm up arrangements with other potential customers. IMX may take this as an opportunity to amend the performance terms on secondary offtake agreements to allow for greater flexibility in procuring competitive alternative contractual buyers."

A handwritten signature in black ink, appearing to read "D. McBain", with a horizontal line underneath.

DUNCAN MCBAIN
MANAGING DIRECTOR

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About IMX Resources Limited

IMX Resources Limited (ASX:IXR) – is headquartered in Perth, Western Australia, is listed on the Australian Stock Exchange (ASX) with a current market capitalisation of approximately \$200m.

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, and a four year sales agreement with Juhua 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.

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