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## Cairn Hill Phase 2 Resource Increased by 139%

Iron ore producer and explorer, IMX Resources Limited (ASX:IXR) is pleased to announce a 139% increase to the Cairn Hill Phase 2 (CHP2) resource, located immediately east of the Cairn Hill iron-copper-gold mine, 55km south-east of Coober Pedy, South Australia. The combined Indicated and Inferred Mineral Resource for the CHP2 area is **8.37 Mt at 46.7% Fe** using a 35% Fe cut off grade (Table 1, Figure 1).

The resource is held by Termite Resources NL (Termite), a company which is 51% owned by IMX and 49% by Sichuan Taifeng.

Table 1. Cairn Hill Phase 2 Indicated and Inferred Mineral Resource (35% Fe cut-off)

Classification	Weathering	Tonnage (Mt)	Fe (%)	Si (%)	Al (%)	P (%)	S (%)	Au (g/t)	Cu (%)
Indicated	Oxide	0.15	46.9	7.1	1.7	0.83	0.49	0.005	0.03
	Transitional	0.55	47.9	6.8	1.6	0.84	0.39	0.004	0.03
	Fresh	3.07	47.9	8.0	1.8	0.80	0.60	0.005	0.02
	<b>Total</b>	<b>3.77</b>	<b>47.8</b>	<b>7.8</b>	<b>1.8</b>	<b>0.81</b>	<b>0.56</b>	<b>0.005</b>	<b>0.02</b>
Inferred	Oxide	0.14	45.5	8.6	1.8	0.69	0.50	0.007	0.04
	Transitional	0.47	45.3	8.5	1.8	0.79	0.56	0.004	0.03
	Fresh	3.99	45.9	8.9	2.0	0.77	0.77	0.005	0.03
	<b>Total</b>	<b>4.60</b>	<b>45.8</b>	<b>8.9</b>	<b>1.9</b>	<b>0.77</b>	<b>0.74</b>	<b>0.005</b>	<b>0.03</b>
<b>Indicated and Inferred Total</b>		<b>8.37</b>	<b>46.7</b>	<b>8.4</b>	<b>1.9</b>	<b>0.79</b>	<b>0.66</b>	<b>0.005</b>	<b>0.03</b>

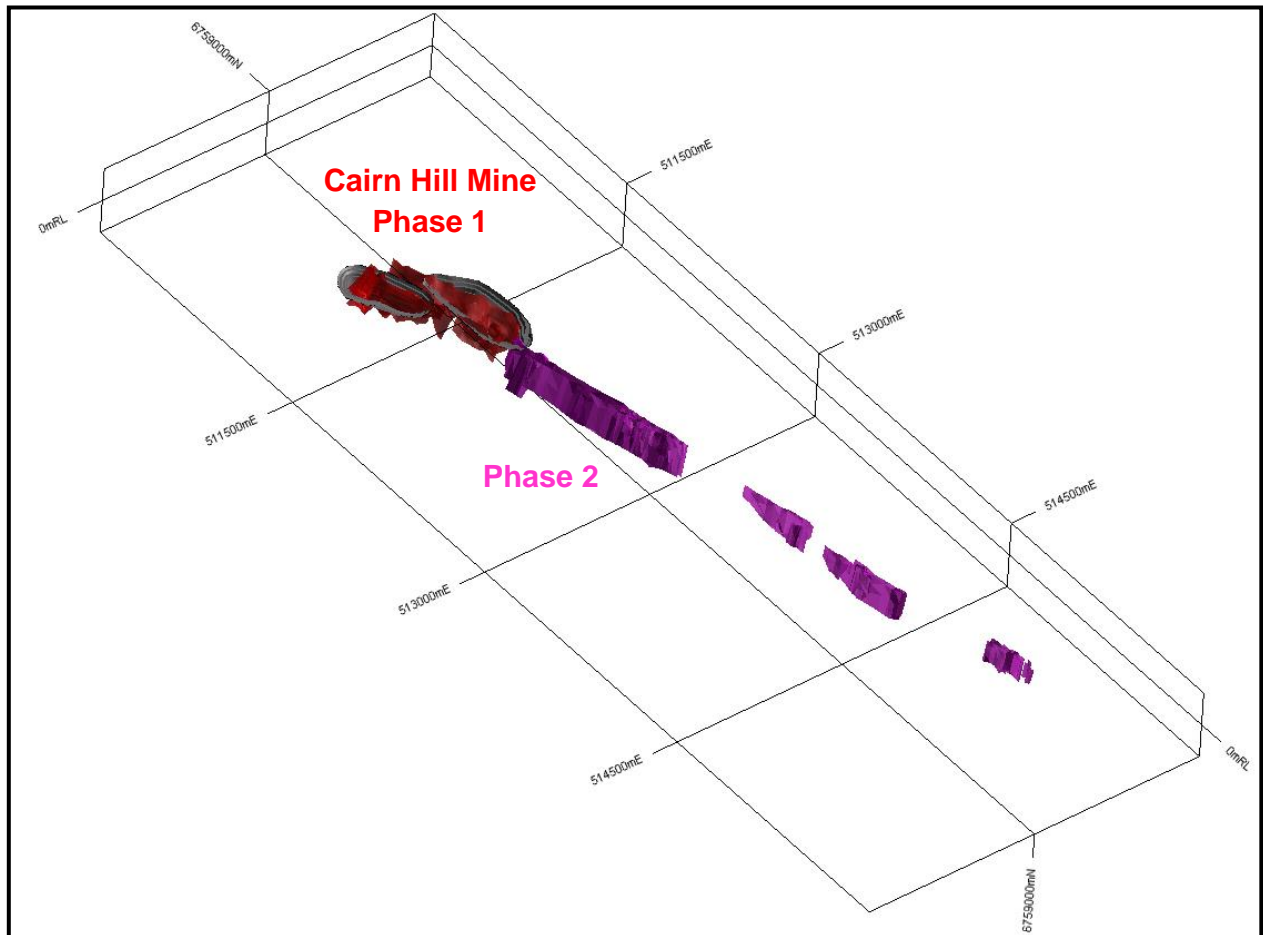
The 2011 estimate has been classified as Indicated and Inferred Mineral Resource based on the guidelines of the JORC Code (2004).

The new estimate is based on infill and resource extension drilling completed between June 2007 and April 2011. The Mineral Resource has been estimated over a 3.3km strike length, compared to the initial Inferred Mineral Resource which was defined over an 800m strike length in 2007<sup>1</sup>. Approximately 45% of the 2007 Inferred Mineral Resource has been upgraded to Indicated Mineral Resource.

As the CHP2 iron resources are located within the mining lease and immediately adjacent to the current mining activities in Cairn Hill Phase 1, mine planning and optimisation studies are already underway to delineate the mineable in-pit resources, based on the resources outlined above, with the aim of bringing this resource into production in the first calendar quarter 2012.

<sup>1</sup> ASX: 28 June 2007 Cairn Hill Resource Upgrade and Strike Extension

Figure 1. Cairn Hill Phase 2 Resource Location



## Resource

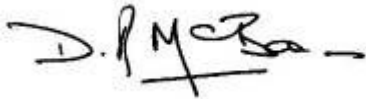
The Cairn Hill Phase 2 Indicated and Inferred Mineral Resource was estimated by the Company and Runge Limited based on all drilling completed to the end of April 2011. The resource was estimated to an average depth of 200m based on a combination of diamond and reverse circulation drillhole samples composited to 1 m lengths. The resource was estimated using ordinary kriging where the search was orientated in the plane of the mineralisation. The dimensions of the search ellipse were based on the ranges of the Fe variogram. A block size of 20m by 10m by 10m (X, Y, Z) was selected and subcells were used to accurately model the mineralisation. A density of 4.2 has been used throughout the model for mineralised areas.

The estimate was classified as indicated and inferred based on the guidelines set out in the JORC Code (2004) and reported above a 35% Fe cut-off for Fe, Si, Al, P, S, Au and Cu. Classification of the resource considered the sample spacing, geological and grade continuity and the slope of regression statistical parameters. Given the proximity of the deposit to the Cairn Hill Phase 1 mine, the resource was reported east of 512042mE to ensure no overlap. This limit coincides with the boundary used in the previously reported resources in 2007.

## Metallurgy

The CHP2 mineralisation is a low copper / sulphur magnetite deposit with generally a slightly lower iron grade than the Phase 1 deposit that Termite is currently mining. Dry bulk magnetic separation testwork is currently in progress to verify initial metallurgical results obtained in 2008. That testwork confirmed it is possible to produce either (i) a  $\pm 60\%$  Fe intermediate magnetite concentrate through dry magnetic separation only, or (ii) a premium quality 69% Fe magnetite concentrate through dry and wet magnetic separation with very low levels of impurities at the exceptionally coarse grind size of 0.5mm.

Planning for the development of Cairn Hill Phase 2 continues with the placing of orders for long lead time items, and finalisation of the design and procurement of the dry magnetic separation plant.



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Information in this public report that relates to the estimation of Mineral Resources is based on information compiled by Mr. Kevin Lowe, and supervised by Ms Bianca Manzi. Mr Lowe is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Runge Limited. Ms Manzi who is a Member of the Australian Institute of Geoscientists, and who is a full-time employee of the Company has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Lowe and Ms. Manzi consent to the inclusion of the data in the form and context in which it appears.

## 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 \$110m.

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 and 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. An accelerated development program is underway for the Phase 2 magnetite resources, where a high grade intermediate concentrate of saleable  $\pm 60\%$  Fe 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 27.3% of Uranex (ASX:UNX), a spin-off from IMX, which is a dedicated uranium company with assets in Australia and Tanzania.

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