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Cairn Hill Phase 1 Update

As announced on 5 August 2011, the joint venture between IMX Resources Limited (ASX:IXR) (IMX) and Taifeng Yuanchuang International Development Co., Ltd (Taifeng) had anticipated the resumption of magnetite ore deliveries to Taifeng commencing from the 19th shipment. This was to have occurred following the modification of its processing plant at Bayuquan in China and reduction of its inventory of stockpiled ore.

Taifeng has advised Termite Resources NL (Termite) (the joint venture operating entity see note below) that it is unwilling to pay the Phase 1 Life of Mine sales contract (the Contract) pricing, for the 19th shipment, and has requested renegotiation of the terms of the Contract. Termite has therefore taken steps to sell this 19th shipment to an existing spot shipment customer.

Taifeng have also advised Termite that as a result of continuing bottlenecks at its processing plant it cannot take all of the ore it has contracted to purchase under the Contract. As a consequence Termite has commenced negotiations of long term contracts with alternative parties for that part of the ore production from Cairn Hill that Taifeng has indicated it will not take. Based on the success of the trial shipments and interest from additional potential customers, Termite expects that it will readily secure alternative long term contracts at market related pricing. IMX intends to ensure that Termite reserves its rights under the Contract in respect of these developments.

The softening of the iron ore and copper prices in recent months has seen the pricing of Cairn Hill magnetite copper ore under the Contract reduce by 25%. The Cairn Hill operations at the mine site are performing at designed capacity with cash operating costs FOB trending towards the target of A\$75 per tonne with opportunities for further improvement already identified.

Neil Meadows, the Managing Director of IMX said "we are working together with our Joint Venture partner (Taifeng) to resolve these issues in an equitable and timely manner. We have had strong interest from other parties in our product and we are confident that we will have long term off take agreements to support the operation in place by the end of the third quarter of the 2012 financial year."

Cairn Hill Joint Venture Holding Structure

IMX's interest in the Cairn Hill JV is held through a direct 51% interest in the joint venture company, Outback Iron Pty Ltd (Outback). IMX is the manager of this operation. Taifeng holds the remaining 49% interest in Outback. Outback, through its subsidiary Termite, holds the Cairn Hill mining lease (ML 6303).



Neil Meadows
Managing Director

For further information, please contact:

Neil Meadows
Managing Director
Tel: +61 8 9388 7877
E: nmeadows@imxres.com.au

Investor Relations:
Tony Dawe
Professional Public Relations (PPR)
Tel: +61 8 9388 0944
E: tony.dawe@ppr.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 \$100m.

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, copper and gold. IMX is currently working towards focusing its activities on steel and steel related products, whilst ensuring it maintains shareholder value for those projects that fall outside of this core business activity.

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 mine, 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 has been announced and the joint venture project group is currently accelerating the development program.

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 including Snaefell. 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 is currently undertaking extensive field work to understand the potential of this area.

IMX spun off 70% of the Nachingwea Nickel - Copper project in Tanzania into Continental Nickel Limited (TSXV:CNI) in August 2007. IMX currently holds 37.0% of Continental Nickel and retains a 25% interest in the Nachingwea Nickel - Copper project through a joint venture company structure. IMX is currently participating in the JV funding requirements in order to maintain its 25% JV interest.

IMX owns 26.6% 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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