IMX RESOURCES LIMITED

ABN 67 009 129 560

INTERIM FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2011

IMX RESOURCES LIMITED
INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2011

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These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by IMX Resources during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

IMX RESOURCES LIMITED
CORPORATE DIRECTORY

Directors
J S Nitschke (Non-Executive Chairman)
N E Meadows (Managing Director)
Song Yuan Gang (Non-Executive Director)
S B Hunt (Non-Executive Director)
A J Haggarty (Non-Executive Director)
Cao Xiangkui (Non-Executive Director)
Chen Yu (Alternate to Song Yuan Gang)

Company Secretary
Caroline Rainsford

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Solicitors
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WEST PERTH WA 6005

Share Register
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38 Station Street
SUBIACO WA 6008

Website Address
www.imxresources.com.au

ASX Code
IXR

IMX RESOURCES LIMITED
DIRECTORS' REPORT

The Directors present the consolidated financial report of IMX Resources Limited (“IMX Resources” or the “Company”) and its controlled entities (the “Group”) for the six months ended 31 December 2011.

Amounts are expressed in Australian dollars unless otherwise noted.

Directors

The names of the Company’s directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Non-Executive
Johann Jooste-Jacobs – Chairman (resigned 10 February 2012)
John Nitschke – Chairman (appointed 10 February 2012)
Stephen Hunt
Anthony James Haggarty
Cao Xiangkui
Song Yuan Gang
Chen Yu – Alternate Director

Executive
Duncan McBain – Managing Director (resigned 17 August 2011)
Neil Meadows – Managing Director (appointed 2 November 2011)

Company Secretary
Andrew Steers (resigned 17 January 2012)
Caroline Rainsford (appointed 17 January 2012)

Review of Operations

Corporate

The Group recorded a net loss after tax for the half-year ended 31 December 2011 of $9.3m (2010: profit of $8.8m).

Revenue increased to $85.1m in the half year ended 31 December 2011. Cost of sales also increased to $83.5m as a result of an increased volume of ore shipped. The comparative period in 2010 does not represent a full six months of mine site operations due to shipping only commencing in December 2010. The profit after tax in the corresponding period was impacted positively by a once off gain of $13.8m due to the initial recognition of investments as equity accounted associates.

Exploration expenditure was 80% higher than the comparative period as the Company pursued drilling activities at the Mount Woods iron ore project yielding positive results with the announcement subsequent to year end of an increased resource at the Snaefell iron ore project. The Group achieved savings in administration expenditure of $97k compared to the comparative period.

The remainder of the result consists of the Group’s share of losses from investments in associates. The share of losses has increased in relation to the six months ended 31 December 2010 due to increased exploration expenditure incurred by Continental Nickel Limited resulting in the expansion of the resource on the Nachingwea JV project.

Cash and cash equivalents increased from $20.2m at 30 June 2011 to $21.8m at 31 December 2011.

Operations

IMX Resources has a sole operation being the Cairn Hill iron ore and copper mine which is located 55km south east of Coober Pedy in South Australia. IMX Resources has a 51% ownership of the project through a joint venture with Taifeng Yuanchuang International Development Co Ltd (Taifeng). During the half year, the joint venture shipped its one millionth tonne of ore on 19 October 2011. It also commenced the shipment of ore to new customers laying the foundation for new long term sales agreements.

Safety

During the half year, the mining contractor employed two full time safety and training officers on site to help improve safety and reduce the number of incidents. Safety remains a focus for the operation and frequency rates for injuries maintained a downward trend for the half year.

Operations

Production, transportation and shipments of ore for the 6 months to 31 December on a comparative basis were as follows:

	2011	2010	Increase
Waste removed (BCM)	3,070,802	1,166,760	163%
Waste and Ore (BCM)	3,215,212	1,277,918	152%
Ore Mined (tonnes)	602,189	451,026	34%
Ore Crushed (tonnes)	779,998	324,168	141%
Road Haulage (tonnes)	703,901	249,353	183%
Rail Haulage (tonnes)	818,739	86,912	842%
Shipped (tonnes)	826,072	68,053	1,113%

Operations continued at a steady state during the period with 826,072 tonnes shipped which is just short of the planned capacity of 1.7 million tonnes per annum (mtpa). Significant increases in production and logistics activities are due to operations commencing part way through the comparative period.

Mining

During the half year, a significant level of pre-stripping of Pit 1 took place resulting in higher cash operating costs per tonne of ore extracted. Additional equipment was utilised to ensure ore production was not materially impacted by the additional pre-stripping. Rainfall events also resulted in a number of lost production days which impacted the total volume mined for the quarter. The joint venture forecasts higher proportions of ore to be mined for the second half of the 2012 financial year as pre stripping activities are wound back.

Crushing

The ore crushing capacity of the operation was improved during the quarter due to the installation of a new larger capacity single mobile crushing circuit which was commissioned during October 2011. The consistency of operation has continued to improve following the commissioning of this crushing circuit ensuring crushing activities will meet the required capacity of 1.7mtpa. The average estimated grades of the ore crushed during the period were 52.13% Fe and 0.43% Cu.

Road Haulage

Despite a number of lost days due to weather, road haulage has increased in capacity during the period culminating in a record amount of 163,781 tonnes being hauled in December 2011. The JV is required to maintain the unsealed haul road with this work continuing during the half year. The average estimated grades of the ore hauled by road during the period were 52.51% Fe and 0.42% Cu.

Rail Haulage

818,739 tonnes of ore were railed during the half year which is slightly below capacity however this is a good achievement considering several services were lost during the period. The average estimated grades of the ore hauled by rail during the period were 52.88% Fe and 0.42% Cu.

Shipping

During the half year, 826,072 tonnes of ore were shipped including a Port Adelaide record cargo of 80,471 tonnes in September 2011. A shipment scheduled for December was impacted by Christmas and New Year port closures as well as industrial action which impacted on loading. Except for these delays, the operation would have been ahead of the 1.7mtpa capacity. The average estimated grades of the ore shipped during the period were 52.49% Fe and 0.45% Cu.

Stockpiles

At the end of the half year, the various stockpiles were:

	Pre Crusher	Post Crusher	Rankin Dam	Port Adelaide
Tonnes (1)	47,821 (1)	55,000 (1)	162,441	22,366
Fe %	48.98	46.38	53.78	54.00
Cu %	0.37	0.31	0.41	0.51

(1) Inclusive of weathered ore, Low Grade and High Grade material

Sales and Marketing

The half year result was negatively impacted by the sale of two cargoes of weathered or transitional ore. Due to this ore having lower Fe, FeO and Cu grades, the pricing achieved was also well below that received under the life of mine sales agreement with Taifeng. This material had been removed from the starter pit and pit 1 and was sold to realise a cash inflow to the JV rather than being put aside as waste.

In addition, the JV was informed during the half year that Taifeng's Bayuquan processing plant had experienced bottlenecks and was unable to take ore under the life of mine sales agreement until shipment 19 in December 2011.

The JV took this opportunity to sell shipments 7 to 18 to new customers with the view to diversifying the customer base. These trial and spot shipments were at prices up to 30% below the pricing received from Taifeng under the life of mine sales agreement. In December 2011, Taifeng informed the JV that it should market up to 1 million tonnes of ore to other parties, being a significant proportion of that part of the magnetite production that Taifeng was unable to take.

Management commenced negotiations for new long term agreements and subsequent to the reporting date, the JV has negotiated new magnetite ore sales agreements at a pricing less than that achieved under the Taifeng contract. The demand for the ore has been strong and it is anticipated that these agreements will deliver strong positive cash flow to the JV going forward.

Development Projects

Cairn Hill Phase 2 (IMX 51%)

Cairn Hill Phase 2 is a magnetite only ore that has a potential for a low capital and operating cost project. Following the release of the combined Indicated and Inferred Mineral Resource of 8.37 Mt at 46.7% Fe using a 35% Fe cut-off grade in August, activities have continued to focus on preliminary design work for resource optimisation, pit designs and mining schedule. The JV undertook metallurgical testwork on Phase 2 ore to determine the quality of the final product. The modified Program for Environmental Protections and Rehabilitation (PEPR) was submitted during December. This work is expected to be completed during the next quarter culminating in a decision on the Phase 2 development.

Snaefell Iron Ore Project (IMX 100%)

Iron ore exploration at Mt Woods was primarily focussed on the Snaefell magnetite and specular hematite prospect, approximately 12km southwest of the Cairn Hill magnetite-copper mine.

During the period, a maiden JORC Inferred Resource of 109.8 Mt at 30.13% Fe, using a 27.5% Fe cut-off grade was reported. This initial Snaefell ‘core area’ resource estimate covers 1,080m of an approximate 3km strike length.

A drilling program comprising 31 reverse circulation (RC) holes for 7,790m targeting a resource upgrade over a 2km strike extension, both east and west of the initial “core area” at Snaefell was completed. The prospect has now been tested by drilling over a 2.7km strike length, a width of 280m and a depth of 300m, and remains open at depth and along strike. An updated Snaefell resource has been released subsequent to the end of the period.

Metallurgical testwork is currently underway as part of an initial scoping study to confirm preliminary results and to help identify possible future production alternatives. Previous Wet LIMS magnetic separation results at a P80 of 150 microns indicated that a 66% Fe magnetite concentrate could be produced. As with Cairn Hill, the Snaefell magnetite, although a more traditional magnetite gneiss product, appears to be relatively coarse grained which has the potential for a lower capital and operating cost project.

Nachingwea Nickel-Copper Project (IMX 25%)

The Nachingwea Project is a 25:75 joint venture between IMX and TSXV listed Continental Nickel Limited (CNI), in which IMX has a substantial 37% direct shareholding, giving IMX a beneficial interest of 53% in the Nachingwea Project.

The JV team finalised a number of key milestones during the period including the completion of a Scoping Study, defining additional mineralisation at Sleeping Giant and completing preliminary metallurgical testwork.

In late September, the JV announced the results from the initial ‘sighter’ flotation tests at the various Ntaka Hill deposits. Concentrate grades were in the range of 15-19% Ni and returned low contamination levels of As, Sb, Cr, Pb, Zn and in particular MgO (magnesium oxide) well below global standards. The high grade nickel concentrate produced from Nachingwea will be highly marketable and compares favourably with the best nickel sulphide mines in the world.

Positive results were received for the initial Scoping Study or Preliminary Economic Assessment (PEA) for the JV in October. Key highlights include:

- Total after tax NPV for the Base Case of US$207 million;
- Total life of mine forecast production for the Base Case of 376 million lbs of nickel contained in high grade concentrate;
- Initial mine life in excess of 12 years;
- Low capital cost reflecting the low infrastructure requirements and staged development;
- Staged development will allow initial (first 4 years) extraction of high grade near surface Measured and Indicated Resources and further expansion to suit the scale of the resources in the Sleeping Giant zone which are still subject to further extension drilling;

- Estimated cash costs and total production costs place the project in the second quartile of global nickel producers (based on published industry cost curves);
- Excellent metallurgical performance, as noted above, could attract a premium for the product.

Additional technical studies are in progress with a feasibility study scheduled for the end of 2012.

The Scoping Study considered two development options; Open Pit Only (Base Case), and Open Pit plus Underground. The sensitivity of the Open Pit case to the inclusion of mineralisation within the open pit used to define the current Resource and previously not identified as having economic value was investigated. This highlighted significant upside potential to the value of the project. This mineralisation will be included in the next Resource estimate.

In early December, the JV team completed a 42 hole, 13,336m infill and step-out drilling program at Ntaka Hill, which was designed to expand the current Mineral Resource at Sleeping Giant and to test selected targets within the Ntaka intrusion.

The drilling confirmed the extension of the high grade nickel sulphide zone over 500m within the wider disseminated Sleeping Giant mineralisation. The high grade nickel mineralisation remains open down plunge to the south beyond the existing pit shell used to define the 2011 Mineral Resource estimate.

In addition, new intersections of disseminated sulphide mineralisation were discovered in the hanging wall above the Sleeping Giant Zone. These intersections typically grade between 0.2% to 0.6% Ni over widths of 5 to 45m and lie within the pit shell used to define the 2011 Mineral Resource estimate. The new intersections will be included in the updated geological interpretation and Mineral Resource estimate currently being prepared and represent a reclassification of waste to potential ore material.

The confirmation and expansion of the hanging wall disseminated sulphide zones within the existing pit shell is a significant development and is expected to positively impact potential nickel production and lower stripping ratios. The JV will deliver an updated and expanded Mineral Resource in early 2012.

In addition to the Ntaka Hill Ni-Cu resources, a second copper gossan was discovered by the regional exploration team 29.5km northeast of Ntaka Hill. The new occurrence ‘Chilalo East’ is located 6.5km northeast of the Chilalo malachite copper pits identified in May. Exploration drilling and geological sampling was completed in December with results to be released in 2012.

Exploration

Mount Woods Iron Ore Rights (South Australia) (IMX 100%)

In addition to the Snaefell iron ore project, new iron targets were generated from geophysical modelling of detailed airborne geophysical data obtained. Multiple new iron targets were identified, the most significant of which is Tomahawk.

The new Tomahawk iron ore target, has a strike length of approximately 3.4km, and is the strongest magnetic anomaly in the area south of Cairn Hill. A six hole, 1,544m RC drilling program tested the easternmost 500m of the anomaly, which corresponds to the most intensely magnetic area of the target. All six holes intersected visible magnetite gneiss and magnetite quartz mineralisation over wide intervals.

Mt Woods Non Iron Ore Rights (South Australia) (IMX 49%)

The Mt Woods Non Iron Ore Rights Project is a 49:51 joint venture between IMX and OZ Minerals Ltd (OZ Minerals). OZ Minerals must spend $20 million over five years to retain their 51% interest.

Drilling to date has provided additional information regarding the regional geology which has led to a refining of the JV exploration targeting process. A second group of targets have been identified for the JV that are currently being followed-up with ground geophysics and drilling. Of particular note is a 12km zone, which is interpreted to have prospective geology and geophysics, that extends northwest from IMX's Black Hills Cu-Au prospect to south of the Snaefell iron prospect.

Deep diamond drilling at these areas tested the Black Hills South, Arapiles, Aquila, Bumblebee, Copper Knob, Pocket Knife and Eccles targets during the period. A total of 11 holes for approximately 7,332m were completed. Minor sulphides were intersected at Black Hills South explaining the geophysical anomaly. Magnetite intersected in the Eccles prospect explained the magnetic anomaly there. Analytical results are awaited.

In addition to drilling, ground gravity surveys were undertaken across the Southern Domain area. Both drilling and geophysical surveys will continue during 2012.

Tasmania Nickel Project (IMX 96%)

Geochemical field validation and petrography of EM geophysical targets has confirmed the widespread presence of poorly outcropping and highly altered ultramafic rocks in IMX's north western Tasmanian tenements.

Previous sampling has consistently demonstrated the potential for Ni-Cu-PGE mineralisation across different sampling mediums and techniques. This is particularly significant as the prospect areas have been historically underexplored due to the highly leached nature of the soils, where conventional geochemistry is ineffective.

In mid-December a geochemical sampling program was completed in order to identify new Ni-Cu-PGE targets and to fully define potential drill targets in the existing anomalies. A total of 294 soil, 10 rock chip and 2 heavy mineral concentrate samples were collected and submitted for analysis. The Company is awaiting results.

Dingo Well Gold Project (IMX 100%)

The Dingo Well project is a shear zone-hosted gold mineralisation target adjacent to, or within, the Keith-Kilkenny Tectonic zone in Western Australia. The area is also prospective for nickel with the Murrin Murrin Nickel deposit located approximately 20km to the east. No exploration was conducted during the period.

Mibango Nickel Project, Tanzania (IMX 100%)

At Mibango, IMX has focused exploration on the full project tenure targeting the relatively underexplored regional potential for high-tenor massive Ni-Cu sulphides and PGE's.

IMX is undertaking a staged exploration program comprising geological mapping, geochemistry, and geophysics to define drill targets for testing. Operational delays have been experienced during the short field season resulting in incomplete surveys, and the inability of the Company to lock in a suitable drilling contractor for the remote project.

Over 5,255 rock and soil samples were collected throughout the project to define geochemical targets and validate new target areas. In addition, a total of 16 hydraulic auger holes were drilled to obtain bedrock samples in areas of cover.

A planned 1,400 line km VTEM survey scheduled for July, commenced in mid September following significant delays in obtaining the relevant permits and approvals in Tanzania. Subsequent to the survey commencing, equipment issues and weather delays were experienced resulting in the permit lapsing and survey operations being suspended. A total of 380 line km had been completed prior to the onset of the wet season.

The Mibango exploration team was demobilised in early November. Target definition is ongoing with analytical results from geochemical sampling expected to be received in 2012. Reporting and final target assessment is underway with a number of key drill targets expected to be identified from a review of the 2011 exploration data.

Mozambique Nickel-Copper-PGE Project (IMX 100%)

The 2011 field season in Mozambique comprised a geophysical survey targeting prospective Ni-Cu-PGE mineralisation at Milange.

A 5,375 line km aeromagnetic and radiometric survey was completed at Milange targeting prospective rocks hidden under cover in the area. Survey processing was completed in November with data now available for targeting and interpretation. Due to the late start and completion of the survey, planned field validation activities were postponed to 2012 to allow time for the new data to be reviewed and assessed.

India

No progress was made in granting licence applications, which have also been delayed for a long period of time. IMX is evaluating the future direction of the projects given the long delays.

Corporate

Uranex Limited

In November 2011, Uranex Limited (Uranex) provided eligible shareholders with the opportunity to participate in its Share Purchase Plan to raise funds for the exploration of its projects in Tanzania and general working capital requirements.

The Company participated in the share purchase plan at 35 cents per share and purchased 128,571 shares.

Based on the closing market prices for Uranex on 11 March 2012, the Group's total investment in Uranex is $17,180,573.

Continental Nickel Limited

Based on the closing market prices for Continental Nickel on 11 March 2012, the Group's total investment is CAD$13,441,167.

COMPETENT PERSONS STATEMENT

Information in this report relating to exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists. Ms Manzi is the General Manager Exploration and a full time employee of IMX Resources Limited. Ms Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code of Reporting Exploration results, Mineral Resources and Ore Reserves. Ms Manzi consents to the inclusion of the data in the form and context in which it appears.

Information is this report that relates to the estimation of Mineral Resources is based on information compiled by Robert Williams and supervised by Bianca Manzi. Mr Williams is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Runge Limited. He has sufficient experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code of Reporting Exploration results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion of the data in the form and context in which it appears.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On 6 March 2012, IMX Resources announced that it has closed out its remaining iron ore hedging positions and as a result, has terminated its hedging facility with Credit Suisse.
- On 5 March 2012, IMX Resources announced a substantial increase in mineral resources at Ntaka Hill Ni-Cu deposits at the Nachingwea JV Project in southern Tanzania. The measured and indicated resources increased over 150% to 12.79Mt @1.21% Ni for 154,700 tonnes of contained nickel.
- On 1 March 2012, IMX Resources announced a substantially increased mineral resource estimate of 569Mt at 27.1% Fe using an 18% Fe cut-off grade at its wholly owned Snaefell iron ore project in South Australia. This new estimate represents a 184% increase on the maiden resource of 200Mt at 27.65% Fe.
- On 10 February 2012, the Board of Directors appointed Mr John Nitschke as non-executive Chairman. Mr Nitschke's appointment follows the resignation of the former non-executive Chairman, Mr Johann Jacobs. John Nitschke is a highly experienced mining engineer with over 35 years' experience in the resources industry and has previously held senior executive roles with Normandy Mining, Oxiana Limited and Oz Minerals.

There has been no other significant event that has occurred between the balance date and the date of this report that has significantly affected, or may significantly affect the operations of the economic entity, the results of these operations or the state of affairs of the entity in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of IMX Resources with an Independence Declaration in relation to the half year ended 31 December 2011. The Independence Declaration is attached to and forms part of this Directors' Report.

This report is made in accordance with a resolution of Directors.

MANAGING DIRECTOR
PERTH, WA

15 March 2012

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Australia

15 March 2012

The Board of Directors
IMX Resources Limited
Level 2, Unit 18
100 Railway Road
SUBIACO WA 6008

Dear Sirs,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF IMX RESOURCES LIMITED

As lead auditor for the review of IMX Resources Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of IMX Resources Limited and the entities it controlled during the period.

C Burton

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

IMX RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	2011 $'000	2010 $'000
Continuing Operations			
Revenue from the sale of goods		85,145	8,671
Cost of sales	3	(83,485)	(6,981)
Gross Profit		**1,660**	**1,690**
Other income	4(a)	1,936	15,843
Share of associate losses	8	(4,951)	(1,494)
Corporate & administration expenses		(3,259)	(3,356)
Exploration expenses		(3,398)	(1,885)
Finance costs		-	(83)
Other expenses	4(b)	(1,179)	(1,612)
PROFIT / (LOSS) BEFORE TAX		(9,191)	9,103
Income tax expense		(105)	(327)
NET PROFIT / (LOSS) FOR THE PERIOD		**(9,296)**	**8,776**
Other comprehensive income / (loss)		2,633	(17,664)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(6,663)**	**(8,888)**
Net Profit/(Loss) is attributable to:			
Owners of IMX Resources Limited		(9,458)	8,160
Non-controlling interest		162	616
		(9,296)	**8,776**
Total comprehensive loss is attributable to:			
Equity holders of IMX Resources Limited		(7,986)	(7,164)
Non-controlling interest		1,323	(1,724)
		(6,663)	**(8,888)**
Earnings per share attributable to owners of the Company:			
Basic EPS		(3.6)	3.1
Diluted EPS		N/A	3.0

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

IMX RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	31 DECEMBER 2011 $'000	30 JUNE 2011 $'000
CURRENT ASSETS			
Cash and cash equivalents	5	21,722	20,173
Trade and other receivables	6(a)	18,970	30,143
Inventory	7	8,322	17,364
Assets classified as held for sale		506	506
TOTAL CURRENT ASSETS		**49,520**	**68,186**
NON-CURRENT ASSETS			
Trade and other receivables	6(b)	1,004	994
Investments accounted for using the equity method	8	9,657	12,961
Property, plant and equipment	9	54,424	33,025
TOTAL NON-CURRENT ASSETS		**65,085**	**46,980**
TOTAL ASSETS		**114,605**	**115,166**
CURRENT LIABILITIES			
Trade and other payables, including derivatives	14	27,663	26,182
Provisions		378	453
TOTAL CURRENT LIABILITIES		**28,041**	**26,635**
NON-CURRENT LIABILITIES			
Loans from related parties	10	20,474	16,352
Trade and other payables including derivatives	14	-	934
Deferred tax liabilities		3,228	2,060
Provisions		849	908
TOTAL NON-CURRENT LIABILITIES		**24,551**	**20,254**
TOTAL LIABILITIES		**52,592**	**46,889**
NET ASSETS		**62,013**	**68,277**
EQUITY			
Contributed equity	11	100,976	100,976
Reserves	12	1,112	(759)
Accumulated losses		(45,120)	(35,662)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**56,968**	**64,555**
Non-controlling interest	13	5,045	3,722
TOTAL EQUITY		**62,013**	**68,277**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

IMX RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	2011 $'000	2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		101,350	6,641
Interest and other receipts		779	856
Government grants and incentives received		-	409
Payments to suppliers and employees		(76,341)	(14,223)
Payment of exploration expenditure		(3,470)	(1,772)
Net cash provided by / (used in) operating activities		**22,319**	**(8,089)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of development expenditure		(21,649)	(6,683)
Additional investment in associates	8	(1,123)	(2,556)
Acquisition of plant and equipment		(303)	(289)
Proceeds from disposal of plant & equipment		-	88
Proceeds from sale of investments		-	402
Payment for security bonds		(64)	(200)
Net cash used in investing activities		**(23,139)**	**(9,238)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares in IMX Resources		-	10,149
Proceeds from issue of shares in controlled entities		-	7,157
Loans from related parties – Sichuan Taifeng	10	4,122	12,843
Payment of hedge liabilities		(1,762)	-
Costs of equity issues		-	(915)
Net cash provided by financing activities		**2,360**	**29,234**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,539**	**11,906**
Add opening cash and cash equivalents brought forward		**20,173**	**22,368**
Effect of exchange rates on cash holdings in foreign currencies		10	(34)
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD		**21,722**	**34,241**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

IMX RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital	Foreign Currency Translation Reserve	Share Based Equity Reserve	Hedge Reserve	Available for Sale Investment Reserve	Retained Earnings	Non-Controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2010	**86,005**	**(315)**	**2,346**	**-**	**12,480**	**(50,441)**	**-**	**50,076**
Total Comprehensive Income for the half year								
- Profit for the year	-	-	-	-	-	8,160	616	8,776
- Foreign exchange translation differences	-	(25)	-	-	-	-	-	(25)
- Hedge reserve movements	-	-	-	(2,436)	-	-	(2,340)	(4,776)
- Net change in fair value of available-for-sale financial assets	-	-	-	-	(12,480)	-	-	(12,480)
- Share of other comprehensive income of associates	-	(382)	-	-	-	-	-	(382)
- Dilution effect on shares issued to non-controlling interest	-	-	-	-	-	6,700	(6,700)	-
	-	(407)	-	(2,436)	(12,480)	14,860	(8,424)	(8,888)
Transactions with owners in their capacity as owners:								
- Contributions of equity, net of transaction costs	14,946	-	-	-	-	-	7,158	22,104
- Employee share options – value of employee services	-	-	992	-	-	-	-	992
Balance at 31 December 2010	**100,951**	**(722)**	**3,338**	**(2,436)**	**-**	**(35,581)**	**(1,267)**	**64,283**
Balance at 1 July 2011	**100,976**	**(2,873)**	**3,348**	**(1,234)**	**-**	**(35,662)**	**3,722**	**68,277**
Total Comprehensive Income for half year								
- Profit for the half year	-	-	-	-	-	(9,458)	162	(9,296)
- Foreign exchange translation differences	-	(373)	-	-	-	-	(55)	(428)
- Hedge reserve movements	-	-	-	1,656	-	-	1,216	2,872
- Share of other comprehensive income of associates	-	524	-	-	-	-	-	524
	-	151	-	1,656	-	(9,458)	1,323	(6,328)
Transactions with owners in their capacity as owners:								
- Employee share options – value of employee services	-		64	-	-	-	-	64
Balance at 31 December 2011	**100,976**	**(2,722)**	**3,412**	**422**	**-**	**(45,120)**	**5,045**	**62,013**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Corporate information

IMX Resources Limited ("IMX Resources" or the "Company") is a company incorporated in Australia and limited by shares. IMX Resources shares are publicly traded on the Australian Securities Exchange ("ASX"). The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2011 comprise the Company and its subsidiaries (together the "Group").

The principal activities of the Company are iron ore mining and the exploration of iron ore, nickel and copper.

The consolidated financial statements of the Group as at and for the year ended 30 June 2011 are available online at www.imxresources.com.au or upon request from the registered office Unit 18, Level 2, 100 Railway Road, Subiaco, WA 6008.

2. Basis of preparation and accounting policies

This general purpose interim financial report for the half year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.* The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by IMX Resources during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. The financial report is presented in Australian dollars.

Changes in Accounting Policies

The Group has not elected to early adopt any new standards or amendments.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Significant accounting policies

The consolidated interim financial statements are consistent with accounting policies as used in the annual financial statements for the year ended 30 June 2011 and the corresponding interim reporting period.

3. Cost of Sales

	2011 $'000	2010 $'000
Mining costs	8,121	3,465
Mine planning and survey	303	195
Geology	467	333
Environmental, rehabilitation & traditional	193	89
Mine administration and depreciation	2,495	2,290
Crushing	4,993	1,141
Haulage	31,253	7,068
Marketing and royalties	1,490	61
Ore inventory movements	6,989	(8,861)
Shipping and port operations	27,181	1,200
Total Cost of Sales	**83,485**	**6,981**

4. Income and Expense Items

Net profit / (loss) included the following items of revenue and expense:

(a) Other Income

	2011 $'000	2010 $'000
Interest receivable from other persons	712	881
Management fees charged to Cairn Hill joint venture	415	548
Profit on sale of investments	-	318
Foreign exchange gain/(loss)	679	(185)
Available for sale investment reserve taken to profit and loss	-	13,794
Government grants and rebates received	-	409
Other	130	78
	1,936	**15,843**

(b) Other Expenses

	2011 $'000	2010 $'000
Realised hedge loss	1,179	-
Commissions paid	-	600
Value of shares issued for non-cash	-	1,012
	1,179	**1,612**

5. Cash and Cash Equivalents

	31 December 2011 $'000	30 June 2011 $'000
Cash at bank	1,852	502
Cash on deposit	19,869	19,669
Cash on hand	1	2
	21,722	**20,173**

6. Trade and Other Receivables

(a) Current

	31 December 2011 $'000	30 June 2011 $'000
Accounts and other receivables	11,241	26,809
Accrued interest	86	127
Prepayments	147	117
Security bonds	55	200
Fuel tax credits receivable	3,257	361
Goods and services tax receivable	4,184	2,529
	18,970	**30,143**

	31 December 2011 $'000	30 June 2011 $'000
(b) Non-Current		
Security bonds	1,004	994
	1,004	**994**

The Company does not have any factors on hand to suggest that any of the above receivables will not be received and accordingly no provisions or fair value adjustments have been made.

7. Inventory

Finished goods (a)	7,628	15,096
Work in progress (b)	480	2,103
Diesel fuel on hand	214	165
	8,322	**17,364**

(a) Finished goods represent crushed ore stocks on the mine site or held in storage.
(b) Work in progress represent uncrushed ore stocks extracted from the mine pits.

8. Investments Accounted for Using the Equity Method

Uranex Limited (associate)	4,496	4,954
Continental Nickel Limited (associate)	5,161	8,007
Ngwena Limited (joint venture)	-	-
	9,657	**12,961**

	Uranex Limited	Continental Nickel	Ngwena (i)	Total
Opening carrying amount (30/06/2011)	4,954	8,007	-	12,961
Acquisitions of new shares	45	-	-	45
Contributions towards associate's expenditure	-	-	1,078	1,078
Share of other comprehensive income	524	-	-	524
Share of losses after income tax	(1,027)	(2,846)	(1,078)	(4,951)
Closing carrying amount	**4,496**	**5,161**	**-**	**9,657**
No. of shares/ % holding	46,433,982	15,813,138	25%	-
Value of investment	14,394,534	12,346,393	-	26,740,927

The Group has determined that at year end no impairment conditions existed to suggest any impairment charges be made against these investments.

(i) Ngwena Limited
Ngwena Limited is the incorporated joint venture company for the Nachingwea nickel project. The Group did not incur any costs in acquiring its 25% interest in Ngwena. The Group contributed $1.078m towards Ngwena during the half year as part of its investment in Ngwena. Accordingly the Group has now recognised $1.078m of losses resulting in the investment being written down to nil as to 31 December 2011. The Group has not recognised losses of $3.5m being its share of the total losses incurred by Ngwena to 31 December 2011. Ngwena does not have any liabilities that the Group may be required to settle and therefore these losses have not been provided for. The fair value of the investment in Ngwena Limited has not been disclosed due to the uncertainty involved in estimating a fair value. Ngwena Limited is not listed on a securities exchange so the market value of the shares is not readily available.

(ii) Summarised financial information of associates

The Group's share of the results of its associates and its aggregated assets and liabilities are as follows:

	Group's share of:			
	Assets	**Liabilities**	**Revenues**	**Net Loss**
2011 (Consolidated)	**$'000**	**$'000**	**$'000**	**$'000**
Uranex Limited	1,060	695	191	(1,027)
Continental Nickel Limited	3,737	1,898	33	(2,846)
Ngwena Limited	65	6,309	-	(1,078)
	4,862	8,902	224	(4,951)

9. Property, plant and equipment

	Plant and Equipment	Furniture and Fittings	Motor vehicles	Leasehold improve-ments	Mine property and development	Capital works and work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 31 December 2011							
Carrying amount at beginning of year	263	114	363	-	24,264	8,021	33,025
Additions	139	25	6	-	22,784	20	22,974
Amortisation of rehabilitation and restoration asset	-	-	-	-	38	-	38
Depreciation expense	(73)	(34)	(53)	-	(791)	(662)	(1,613)
Carrying amount at end of year	329	105	316	-	46,295	7,379	54,424
Cost	786	371	531	-	48,395	9,152	59,235
Accumulated depreciation	(457)	(266)	(215)	-	(2,100)	(1,773)	(4,811)
Carrying amount	329	105	316	-	46,295	7,379	54,424
Year ended 30 June 2011							
Carrying amount at beginning of year	223	158	140	10	9,181	8,067	17,779
Additions	164	21	301	-	16,425	1,065	17,976
Amortisation of rehabilitation and restoration asset	-	-	-	-	(120)	-	(120)
Depreciation expense	(124)	(65)	(78)	(10)	(1,222)	(1,111)	(2,610)
Carrying amount at end of year	263	114	363	-	24,264	8,021	33,025
Cost	653	346	525	31	25,612	9,132	36,299
Accumulated depreciation / amortisation	(390)	(232)	(162)	(31)	(1,348)	(1,111)	(3,274)
Carrying amount	263	114	363	-	24,264	8,021	33,025

	31 December 2011 $'000	30 June 2011 $'000
10. Loans from related parties		
Loan from Sichuan Taifeng Group	20,474	16,352
	20,474	**16,352**

At the half year end, Outback Iron Pty Ltd (owned 51% by IMX Resources and 49% by Sichuan Taifeng), owed $20.5m to the Taifeng Yuanchang International Development Co Ltd, a controlled entity of the Sichuan Taifeng Group. This loan forms part of the investment made by Sichuan Taifeng into Outback. Sichuan Taifeng and IMX Resources should each have shareholder loans proportionate to their 51% and 49% shareholdings. As Outback remains a controlled entity for the IMX Group, the loan owing by Outback Iron to IMX Resources is eliminated upon consolidation.

11. Issued Capital

Issued and outstanding:	Number of shares	Value $'000
Movements in fully paid shares:		
Balance, 1 July 2010	230,802,803	86,005
Issued to Anglo American [(1)]	2,300,000	1,012
Issued during the period [(2)]	29,450,000	13,934
Balance 31 December 2010	**262,552,803**	**100,951**
Stock options exercised	60,000	25
Balance 30 June 2011	**262,612,803**	**100,976**
Balance 31 December 2011	**262,612,803**	**100,976**

[(1)] On 3 November 2010, the Company issued 2,300,000 Ordinary Shares to Anglo American (Australia) as part of the termination of the Strategic Alliance Agreement between IMX and Anglo. The shares are subject to a two year voluntary escrow.
[(2)] On 12 July 2010, the Company issued a total of 29,450,000 Ordinary Shares at 48.4 cents per share to the Sichuan Taifeng Group and OZ Minerals. Sichuan Taifeng received 21,691,000 Ordinary Shares as a private placement under the Heads of Agreement between IMX and Sichuan Taifeng. OZ Minerals were issued 7,759,000 Ordinary Shares under anti-dilution rights clause under its Heads of Agreement with IMX.

	Number of options
Movements in options:	
Beginning of the half-year	14,975,000
Issued during the half-year	250,000
Expired/exercised during the half-year	-
Total issued options 31 December 2011	**15,225,000**

During the half year options were issued to staff members and with a total share based remuneration cost of $64,397 being expensed to the income statement. Of this amount $11,840 related to options issued during the 30 June 2011 financial year that had not yet been expensed.

	31 December 2011 $'000	30 June 2011 $'000
12. Reserves		
Foreign currency translation reserve	(2,722)	(2,873)
Share based remuneration reserve	3,412	3,348
Hedge reserve	422	(1,234)
Closing balance	**1,112**	**(759)**
Movements:		
Foreign currency translation reserve		
Balance at beginning of period	(2,873)	(315)
Currency translation differences arising during the period	151	(2,558)
Share of associates other comprehensive income	-	-
Balance at end of period	**(2,722)**	**(2,873)**
Share based remuneration equity reserve		
Balance at beginning of year	3,348	2,347
Employee Share Remuneration	64	1,001
Balance at end of year	**3,412**	**3,348**
Hedge reserve		
Balance at beginning of year	(1,234)	-
Hedge reserve movements after tax	1,656	(1,234)
Balance at end of year	**422**	**(1,234)**
Available for sale investment reserve		
Balance at beginning of year	-	12,480
Reclassification of available for sale assets	-	(12,480)
Balance at end of year	**-**	-

Nature and Purpose of Reserves

(i) Foreign currency translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of the Company's net investment in a foreign subsidiary.

(ii) Share based remuneration reserve

The share based remuneration reserve is used to recognise the fair value of partly paid shares and options issued.

(iii) Hedge reserve

Comprises the movements in the fair value of derivatives used for hedging.

(*iv) Available for sale investments reserve*
Comprises the cumulative net change in the fair value of available for sale financial assets until the asset is derecognised or impaired.

	31 December 2011 $'000	30 June 2011 $'000

13. Non-controlling interests

	31 December 2011 $'000	30 June 2011 $'000
Interests in:		
Share capital	7,158	7,158
Reserves	31	(1,131)
Dilution effect on share issued to non-controlling interests	(6,700)	(6,700)
Retained earnings	4,556	4,395
Closing balance	**5,045**	**3,722**

14. Trade and other payables

(a) Current Liabilities

	31 December 2011 $'000	30 June 2011 $'000
Trade creditors	14,502	11,698
Accrued expenses	12,870	10,913
Derivatives used for hedging	41	3,571
Other creditors	250	-
	27,663	**26,182**

(b) Non-Current Liabilities

	31 December 2011 $'000	30 June 2011 $'000
Derivatives used for hedging	-	934
	-	**934**

15. Operating Segments

Segment products and locations

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

The Group operates in the resources industry. The Group carries out mining activities on the Cairn Hill Phase 1 Project representing the Group's only operating asset. All revenues and expenses from the Cairn Hill Project are included in the Cairn Hill operating segment. In addition to this operating asset, the Group's other operating segment is Exploration, which represents the Group's other exploration assets.

The exploration operating segment is further split between the geographic location of the projects, being Australia, Tanzania, Mozambique and India.

Half Year 2011	Operating Cairn Hill Project $'000	Exploration Australia $'000	Tanzania $'000	Mozambique $'000	India $'000	Totals $'000
Revenue	**85,145**	**-**	**-**	**-**	**-**	**85,145**
Cost of sales	(83,485)	-	-	-	-	(83,485)
Gross profit/(loss)	**1,660**	**-**	**-**	**-**	**-**	**1,660**
Other income	1,418	-	-	-	-	1,418
Exploration expenses	(422)	(2,141)	(682)	(153)	-	(33,98)
Other expenses	(1,179)	-	-	-	-	(1,179)
Profit/(loss) before tax and finance	**1,477**	**(2,141)**	**(682)**	**(153)**	**-**	**(1,499)**
Finance costs	104	-	-	-	-	104
Profit/(loss) before tax	**1,581**	**(2,141)**	**(682)**	**(153)**	**-**	**(1,395)**

Half Year 2010	Operating Cairn Hill Project $'000	Exploration Australia $'000	Exploration Tanzania $'000	Exploration Mozambique $'000	Exploration India $'000	Totals $'000
Revenue	**8,671**	**-**	**-**	**-**	**-**	**8,671**
Cost of sales	(6,981)	-	-	-	-	(6,981)
Gross profit/(loss)	**1,690**	**-**	**-**	**-**	**-**	**1,690**
Other income	250	-	-	-	-	250
Exploration expenses	(111)	(703)	(969)	(95)	(6)	(1,885)
Profit/(loss) before tax and finance	**1,829**	**(703)**	**(969)**	**(95)**	**(6)**	**55**
Finance costs	(83)	-	-	-	-	(83)
Profit/(loss) before tax	**1,746**	**(703)**	**(969)**	**(95)**	**(6)**	**(28)**

Segment Assets as at 31 December 2011:

Segment operating assets	87,637	172	-	-	-	87,809
Unallocated assets						1,265
Cash						15,874
Deferred Tax Assets						-
Equity Accounted Investments						9,657
Total Assets						**114,605**

Segment Assets as at 31 December 2010:

Segment operating assets	44,681	214	-	-	-	44,895
Unallocated assets						2,264
Cash						27,511
Deferred Tax Assets						1,569
Equity Accounted Investments						13,999
Total Assets						**90,238**

Reconciliation of profit before tax for the operating segments to the group profit before tax is provided as follows:

	31 December 2011 $'000	31 December 2010 $'000
Loss before tax for Operating Segments (see table above)	(1,395)	(28)
- Corporate and administration costs	(3,259)	(3,356)
- Other expense	-	(1,612)
- Other income	414	15,593
- Share of associate losses	(4,951)	(1,494)
(Loss) / Profit before tax for the Group	**(9,191)**	**9,103**

16. Key Management Personnel

Mr Neil Meadows was appointed Managing Director of IMX Resources on 2 November 2011. Mr Meadows's fixed remuneration package is valued at $475,000 per annum inclusive of superannuation.

In addition to the fixed remuneration component, Mr Meadows is entitled to receive an annual short term incentive (STI) or variable component of up to 30% of the fixed remuneration package. This STI component will be subject to key performance indicators that will be agreed by the Board and will be a cash payment.

A long term incentive (LTI) component is also payable and will have an annual value of up to 30% of the fixed remuneration package. This will be in the form of options and is not payable until the third anniversary of Mr. Meadows commencement.

An initial two million options will be issued, subject to shareholder approval, that will vest immediately upon grant and will have an expiry of five years. One million of these options will be exercisable at a premium of 25% and the other million at a premium of 50% above the closing market price on Mr Meadows commencement date or on the first trading date thereafter.

The total remuneration paid to Mr Meadows in the half year ended 31 December 2011 was $47,083.

17. Contingent Liabilities

The Company is not aware of any contingent liabilities which existed as at the end of the half year or have arisen as at the date of this report.

18. Events Occurring after Balance Date

- On 6 March 2012, IMX Resources announced that it has closed out its remaining iron ore hedging positions and as a result, has terminated its hedging facility with Credit Suisse.
- On 5 March 2012, IMX Resources announced a substantial increase in mineral resources at Ntaka Hill Ni-Cu deposits at the Nachingwea JV Project in southern Tanzania. The measured and indicated resources increased over 150% to 12.79Mt @1.21% Ni for 154,700 tonnes of contained nickel.
- On 1 March 2012, IMX Resources announced a substantially increased mineral resource estimate of 569Mt at 27.1% Fe using an 18% Fe cut-off grade at its wholly owned Snaefell iron ore project in South Australia. This new estimate represents a 184% increase on the maiden resource of 200Mt at 27.65% Fe.
- On 10 February 2012, the Board of Directors appointed Mr John Nitschke as non-executive Chairman. Mr Nitschke's appointment follows the resignation of the former non-executive Chairman, Mr Johann Jacobs. John Nitschke is a highly experienced mining engineer with over 35 years' experience in the resources industry and has previously held senior executive roles with Normandy Mining, Oxiana Limited and Oz Minerals.

There has been no other significant event that has occurred between the balance date and the date of this report that has significantly affected, or may significantly affect the operations of the economic entity, the results of these operations or the state of affairs of the entity in future periods.

IMX RESOURCES LIMITED
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of IMX Resources Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* and:

   (i) Giving a true and fair view of the financial position as at 31 December 2011 and the performance for the half-year ended on that date of the consolidated entity

   (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5) of the *Corporation Act 2001*.

On behalf of the Board

MANAGING DIRECTOR
PERTH, WA

15 March 2012

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF IMX RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of IMX Resources Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of IMX Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IMX Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of IMX Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

C Burton

Chris Burton
Director

Perth, Western Australia
Dated this 15th day of March 2012