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NEW GOLD GOSSAN DISCOVERED & 2012 DRILLING COMMENCES AT NACHINGWEA NI-CU JV TANZANIA

Highlights

- Up to 4.96g/t Au reported from new Hog gold prospect
- Cdn\$10M joint venture budget approved
- 2012 field season underway with 2 diamond drill rigs operating and a third expected by end of May
- 20,000-25,000m drilling program proposed for 2012
- VTEM survey planned for prospective regional target areas

Joint Venture Project Update:- IMX Resources Limited (ASX: IXR; 'IMX') reports the discovery of a new gold target at the Hog gossan, located 20km northeast of the Ntaka Hill Ni-Cu Project in southern Tanzania, where grab sampling has returned up to 4.96g/t Au from the 2011 regional exploration program. The identification of new gold mineralisation in the JV project licences further enhances the regional prospectivity of the evolving new mineral province at Nachingwea, which now includes nickel, copper, gold, silver and zinc.

In addition, the JV is pleased to announce that the 2012 exploration program has commenced at the Nachingwea Ni-Cu JV project with two diamond rigs currently operating at Ntaka Hill and a third expected before the end of May.

The Ntaka Hill Ni-Cu Project is part of the larger Nachingwea JV Project in southern Tanzania, which is operated and managed by Continental Nickel Limited (CNI) of Canada.

Full details of these latest results can be viewed in the CNI release to the TSXV attached below.

Nachingwea Holding Structure

IMX's 53% beneficial interest in the Nachingwea Ni - Cu JV Project is held through a direct 25% interest in the Tanzanian joint venture company, Ngwena Limited, and indirectly through a 37.03% equity interest in CNI. IMX funds its joint venture interest on a pro rata basis.



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Competent Persons

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.

About IMX Resources Limited

IMX Resources Limited (ASX: IXR) is an ASX listed company headquartered in Perth, Western Australia.

IMX is a mining and mineral exploration company with an iron ore mining operation in South Australia, and an advanced nickel sulphide development project in Tanzania.

IMX operates and owns 51% of the Cairn Hill Mining Operation, located 55 kilometers south-east of Coober Pedy in South Australia, where it produces a premium coarse-grained magnetite–copper-gold DSO product at a rate of 1.7Mtpa.

IMX recently agreed to acquire all the issued shares in Continental Nickel Limited in order to bring the ownership of the Nachingwea Nickel – Copper Project in Tanzania within its control. That transaction remains subject to shareholder approval. IMX plans to bring the Nachingwea Nickel-Copper Project into production by 2015. The Company is at an advanced stage of planning for the development of a major new nickel sulphide mining operation, which has the potential to produce a premium quality nickel concentrate product. Nachingwea has the potential to become a world-class nickel and copper project with significant exploration upside.

IMX is actively developing the Mt Woods Magnetite Project on the highly prospective Mt Woods Inlier in South Australia. IMX owns 100% of the iron ore rights of the Mt Woods tenement package, where it currently has a JORC Inferred Resource of 569Mt @ 27% Fe at the Snaefell Magnetite Deposit and a Global Exploration Target of between 200-380Mt @ 25-35% Fe elsewhere in the project.

IMX has also entered into a joint venture with OZ Minerals (the Mt Woods Copper-Gold JV Project) to explore the Mt Woods tenements for copper and gold. OZ Minerals is spending a minimum of \$20M for a 51% interest in the non-iron rights, with IMX retaining a 49% interest in the non-iron rights.

IMX owns 25.65% of Uranex (ASX: UNX), which is a dedicated uranium exploration company, which is developing the Mkuju Uranium project in southern Tanzania.

Visit: www.imxresources.com.au

Continental Nickel Reports up to 4.96 g/t Gold from New Gossan and Provides Exploration Update for Nachingwea Project in Tanzania

TORONTO, ONTARIO (May 25, 2012) - Continental Nickel Limited (TSXV:CNI) ("CNI" or the "Company") is pleased to provide an exploration update for its Nachingwea project and also to report results for grab samples from the Hog showing recently discovered on one of its regional exploration licenses. The project is part of the 75:25 joint venture between CNI and IMX Resources Limited of Australia.

Highlights

- Values of up to 4.96 g/t Au in grab samples from the Hog showing
- 2 diamond drill rigs currently in operation completing in-fill drilling at Sleeping Giant zone (Ntaka Hill) with a third diamond drill rig expected to be on site by the end of May
- 20,000 – 25,000 meters of drilling currently planned from May through December 2012
- VTEM survey planned to cover prospective regional areas

Patricia Tirschmann, Vice President Exploration for the Company, commented: *"We have a very exciting exploration program planned for 2012 with high quality drill targets identified at both Ntaka Hill and on the regional licenses. At the Ntaka intrusion, the exploration is focussed on identifying additional nickel sulphide mineralization which has the potential to add to the currently defined estimated mineral resource and, on our regional licenses, targets have been expanded to include those with the potential to host nickel, copper or gold mineralization. We are looking forward to drill testing a number of these targets this year."*

2012 Exploration Program

The Nachingwea joint venture has a \$10 million exploration program and budget for 2012, which will include the completion of 20,000 – 25,000 metres of diamond and reverse circulation (RC) drilling. The main objectives of the program are to:

- carry out 15,000m of in-fill and step-out diamond drilling at Sleeping Giant to upgrade current estimated mineral resource categories and to test for the potential down-plunge extension of the high grade core of the zone;
- drill test high priority exploration targets associated with the nickel-bearing Ntaka and Lionja ultramafic intrusions (~4,500m); and
- continue to explore our extensive regional land position to identify copper, gold and nickel sulphide deposits.

Capital Drilling (Tanzania) Limited has been contracted to carry out the 2012 drilling program. The program was initiated in mid-May with two diamond drill rigs now operating at the Sleeping Giant zone. Drilling will be focused on the northern near surface portion of Sleeping Giant in order to upgrade the estimated Inferred and Indicated mineral resources to Indicated and Measured categories and on testing for potential extensions of the down-plunge portion of the high grade core of the zone which remains open to the south. A third diamond drill rig is expected to start by the end of May and will be testing exploration targets

elsewhere within the Ntaka intrusion. This drilling is planned to target both high grade nickel sulphides and near surface disseminated nickel sulphides.

An extensive regional exploration program is planned and will comprise a 2,500 line km airborne versatile time domain electromagnetic (VTEM) survey, follow-up ground geophysical surveys, diamond and RC drilling (~2,500m), geochemical sampling, mapping and prospecting. Potential exploration targets on our regional land position have the potential to include nickel, copper and gold mineralization.

A number of drill ready regional targets have already been outlined, including the Chilalo 7 area where a coincident copper in soil and ground EM anomaly was identified in 2011 (see Press Release dated March 27, 2012). Airborne and ground geophysical surveys as well as geochemical sampling, prospecting and mapping will be employed to identify additional priority targets for drill testing later in the year.

Hog Showing

In late 2011, exploration on the regional licenses identified a new gossan located approximately 20 kilometres northeast of Ntaka Hill. The gossan is 1,150 metres long and 25-180 metres wide and remains open to the north and south. It is exposed along a narrow low lying ridge and consists of abundant sub-outcropping and loose gossanous boulders interpreted to be hosted within metasedimentary rocks.

Thirty-four sub-cropping gossan grab samples collected over a strike length of 900 metres were sent for laboratory analysis. A number of these samples were found to contain anomalous gold values, including four samples which returned values of greater than 1 g/t gold ranging from 1.86 to 4.96 g/t. Nine additional samples returned values between 0.4 and 1.0 g/t gold. The gold-bearing samples were collected at sample spacing of 30 to 180 metres over a strike length of 500 metres. A number of the grab samples also returned elevated silver values (1 - 18 g/t) and copper values (0.11 – 0.64%).

The Company plans additional mapping, prospecting and sampling over the Hog showing to more fully define its extents and significance. In addition, this new area of interest will be covered by the upcoming 2012 airborne VTEM survey.

Qualified Persons / Quality Control

The quality control, technical information and all aspects of the exploration program are supervised by Patricia Tirschmann, P. Geo., Vice President, Exploration for CNI. Ms. Tirschmann is a qualified person as defined by National Instrument 43-101.

Quality Control

Lithogeochemical samples were collected by the Company's personnel and shipped to the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps were sent by courier to the ALS Chemex analytical laboratory in Vancouver, Canada. Multi-element analyses including, Cu, Zn, Ag and sulphur, were completed using a HF-HNO₃-HClO₄ digestion and HCl leach preparation and an ICP-AES and ICP-MS finish (Analytical Code ME-MS61). Analyses for Pt, Pd, and Au were by fire assay with an ICP-AES finish (Analytical Code PGM-ICP23). Laboratory duplicates, standards and blanks were included and analyzed with each sample batch.

About Continental Nickel Limited

Continental 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% joint venture interest in the Nachingwea project in Tanzania, where measured and indicated mineral resources have been estimated at 12.8 Mt grading 1.21% nickel and inferred mineral resources have been estimated at 45 Mt grading 0.30% nickel (CNI press release April 17, 2012). The project is a 75:25 exploration joint venture between the Company and IMX Resources Limited. The Company also has an option to joint venture on the St. Stephen project in New Brunswick, Canada where the 2010-2012 diamond drill programs discovered new Ni-Cu sulphide zones.

As at the date of this release, the Company has 42,793,508 common shares issued and outstanding (46,866,008 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company had over \$9.4 million in the treasury as at December 31, 2011.

On May 16, 2012 CNI and IMX Resources announced the entering into of definitive agreements under which IMX Resources would acquire CNI, subject to the terms and conditions of such agreements.

On behalf of

Continental Nickel Limited

"Dave Massola"

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