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## **IMX Signs Life of Mine Sales Contract Variation with Jilin Tonghua Iron & Steel**

IMX Resources Limited (ASX:IXR) is pleased to announce that it has signed a variation to the sales contract it previously signed with Jilin Tonghua Iron & Steel Group (Mining) Co Ltd (Tonghua Mining) (ASX announcement 11 August 2008). Under the terms of the variation Tonghua Mining will now purchase all of the ore produced from Cairn Hill Phase 1 for the life of mine.

IMX Resources Managing Director Duncan McBain said "The signing of the sales contract variation is another significant milestone as it converts the existing 3 year contact into a life of mine contract for Cairn Hill Phase 1. All production from Phase 1 is now sold at prices related to international traded benchmark prices."

Under the variation to the sales contract Termite Resources NL, IMX's 100% owned operating subsidiary for Cairn Hill, will sell up to 1.7mtpa of unprocessed run of mine ore to Tonghua Mining for the life of mine of the Cairn Hill Phase 1 project. The original contract with Tonghua Mining was to supply up to 1.4mtpa for 3 years. The increased tonnage is available as a result of shipping through Port Adelaide rather than Darwin and optimisation of the train configurations to minimise FOB costs.

The variation to the sales contract also formalises the change in the load port from Darwin to Port Adelaide.

Apart from these changes the other terms of the sales contract remain unchanged. The ore will be sold on a FOB basis with the target shipping specification averaging 55% Fe and 0.43% Cu. Termite Resources receives payment for both the contained iron and copper, with the prices based on internationally traded benchmark prices and a 20% discount to allow for processing costs and losses.

The run of mine ore will be processed through the custom built processing plant at Bayuquan in Liaoning Province, NE China being constructed by Tonghua Mining.

**DUNCAN MCBAIN**  
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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 \$80m.

IMX is an active diversified mining company with projects in South Australia, Tasmania, Tanzania and Mozambique, East Africa, focusing on a range of commodities including iron-ore, nickel, gold, copper, platinum and uranium.

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.

Subject to the successful completion of the terms of the HOA, IMX owns 50% of the Cairn Hill project, 55 kilometres south-east of Coober Pedy, South Australia. This unique magnetite Fe – Cu – Au project is close to the Darwin to Adelaide railway line. Phase 1, which is currently under development, is a DSO magnetite project. Testwork indicates that 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 Jilin Tonghua Iron & Steel (Group) Mining Co Ltd for the DSO magnetite production. Beyond Phase 1, preliminary metallurgical testwork has been completed on Phase 2 of the project targeted at producing a premium grade magnetite concentrate, with the calculation of the resource for this phase in progress.

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 recently signed a HOA with OZ Minerals for the non-iron ore rights on its Mt Woods tenements. OZ Minerals will have 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 47.4% of Continental Nickel and retains a 30% free carried interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 34.5% of Uranex (ASX:UNX), a spin-off company from IMX, which listed on the ASX in October 2005 and is dedicated uranium company with assets in Australia and Tanzania.

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