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29 July 2010

## **New High Grade Nickel Intersections Expand H Zone Mineralisation at Nachingwea Ni-Cu JV, Tanzania**

IMX Resources Limited (ASX:IXR) is pleased to announce that 2010 Nachingwea JV diamond core drilling targeting the Ntaka Hill H Zone has intersected high grade nickel sulphides.

Best intersections from the first four holes include:

**1.10m at 15.93% Ni, 0.65% Cu, 0.20% Co from a wider 3.25m interval at 6.54% Ni and 0.30% Cu in hole NAD10-189**  
**0.55m at 18.95% Ni, 0.26% Cu and 0.20% Co within a wider interval grading 6.0m at 2.45 % Ni and 0.15% Cu in hole NAD10-186**

A total of 5 holes for 541m have been completed at H Zone with results received for the first 4 holes. These holes were targeted to identify potential extensions to H Zone mineralisation beyond the limits of the currently defined Mineral Resources. Extensions targeted included down plunge, along strike to the south, up dip to the east, and down dip to the west. All five holes intersected variable disseminated to net-textured to massive sulphide mineralisation, and confirm the continuation of the H Zone mineralisation outside the current resources. A full discussion of results including a drillhole location plan can be viewed in the CNI release to the TSXV attached below.

To date 26 holes for a total of 3057.7 metres of diamond core have been completed at Ntaka Hill as part of a planned 6,000m core programme. The results of the drilling will be incorporated into an updated Mineral Resource estimate upon completion of the diamond drill program.

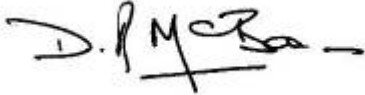
The diamond drilling at Ntaka is expected to be completed by late August, at which time the regional exploration RC programme will commence.

### **Nachingwea Holding Structure**

The IMX Resources interest in the Nachingwea project are held indirectly through a 37.2% interest in Continental Nickel, which holds a 70% interest in the Tanzanian JV company, Ngwena Limited. Ngwena is the licence holder for the Nachingwea tenements. IMX Resources also holds a 30% direct interest in the project through a 30% interest in Ngwena.

IMX Resources 30% interest is free carried up to the completion of a feasibility study or the expenditure of Cdn\$15m whereby Continental Nickel can earn an additional 5% interest.

Continental Nickel is expected to reach the Cdn\$15m expenditure threshold during 2010 at which time IMX Resources will dilute to 25% of the project and will commence funding the JV on a pro-rata basis.



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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 \$100m.

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 formed a Joint Venture 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 37.2% of Continental Nickel and retains a 30% free carried interest in the Nachingwea Nickel - Copper project through a joint venture company structure.

IMX owns 30.1% 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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## **Press Release**

### **Continental Nickel Expands H Zone with Intersections up to 6.54% Nickel and 0.30% Copper over 3.25 metres, at the Nachingwea Nickel-Copper Sulphide Project in Tanzania**

Toronto, Ontario (July 28, 2010): Continental Nickel Limited (TSXV: CNI) (“Continental” or “CNI” or the “Company”) is pleased to announce that it has received the first assay results from its 2010 diamond drilling program on the Nachingwea nickel-copper sulphide project (“Nachingwea”) in Tanzania. Highlights include drill intersections from H Zone of 6.54% nickel and 0.30% copper over 3.25 metres (including 15.93% nickel and 0.65% copper over 1.1 metres) from hole NAD10-189; and 2.45 % nickel and 0.15% copper over 6.0 metres from hole NAD10-186. The project is a 70:30 Joint Venture between CNI and IMX Resources Limited (“IMX”) of Australia.

In 2010, the Company is implementing a \$4 million exploration program at Nachingwea which will include 9,000 metres of diamond and reverse circulation (“RC”) drilling. This program has two objectives:

- 1) expand the current Mineral Resources at Ntaka Hill; and
- 2) continue to explore the vast regional land holdings for additional nickel sulphide deposits.

The currently estimated NI 43-101 compliant Measured and Indicated Mineral Resources from six separate deposits at Ntaka Hill (including the H Zone) total 3.1 million tonnes grading 1.31% nickel and 0.24% copper (see Press Release dated July 15, 2009).

#### **Diamond Drilling**

Diamond drilling commenced at Ntaka Hill in June, 2010 and twenty-six drill holes totalling 3057.7 metres have been completed to date. Assay results have been received for four of five drill holes totalling 541.0 metres completed at H zone and are reported herein. A summary table of drill hole locations and assay results are provided below as Table I. A location figure may be viewed using the link provided below in this release. Further assay results will be reported as they are received, compiled and validated. Diamond drilling continues at Ntaka Hill and is expected to be completed by the end of August. Following completion of the Ntaka drill program, a reverse circulation drill program will test priority targets developed from the ongoing regional exploration program.

#### **H Zone**

The five holes reported herein were completed to explore for extensions of the H Zone and were positioned to intersect the zone beyond the limits of the currently defined Mineral Resources. Areas targeted by drilling included down plunge and along strike to the south, up dip to the east, and down dip to the west

All five holes intersected variable disseminated to net-textured to massive sulphide mineralization, which establish extensions to the H Zone. The results will be incorporated into an updated Mineral Resource estimate upon completion of the diamond drill program.

Diamond drill hole NAD10-186 was drilled approximately 40 metres down plunge to the south of previous drill intersections of H Zone. Modelling of borehole electromagnetic (“BHEM”) data from nearby drill holes indicated that the mineralization likely extended to the south. The drill hole intersected sulphide mineralization at the expected target depth comprised of disseminated sulphides with several narrow veins of very high grade massive sulphide over core lengths of up to 0.55 metres. The mineralization intersected has an average grade of 2.45% nickel and 0.15% copper over 6.0 metres starting at 144.65 metres down hole (including 18.95% nickel and 0.26% copper over 0.55 metres from a massive sulphide vein).

The zone remains open to the south and further drilling will be considered upon completion of a BHEM survey which will help position additional drill holes.

Drill holes NAD10-187 and NAD10-188 were drilled to define the near surface up dip extent of the central portion of H Zone. Drill hole 187 intersected several zones of lower grade disseminated mineralization including 0.63% nickel and 0.11% copper over 1.4 metres and 0.72% nickel and 0.21 % copper over 2.05 metres starting at depths of 56.0 and 72.45 metres respectively. Drill hole 188 intersected a disseminated to semi-massive sulphide interval grading 1.66% nickel and 0.13% copper over 3.2 metres (including 4.52% nickel and 0.07% copper over 0.55 metres) starting at a drill hole depth of 40.15 metres. These drill holes successfully defined the up dip edge of H-Zone and extended the mineralization to within 40 metres of surface.

Drill hole NAD10-189 was drilled at the interpreted northern limit of the zone, 40 metres down dip, to the west of drill hole NAD09-160 which had previously intersected mineralization grading 2.93% nickel and 0.11% copper over 5.0 metres starting at 31.0 metres down hole (see press release January 28, 2009). NAD10-189 intersected disseminated to massive sulphides grading 6.54% nickel and 0.30% copper over 3.25 metres, including a 1.1 metre interval of high grade massive sulphide mineralization grading 15.93% nickel and 0.65 % copper.

Drill hole NAD10-206 was drilled 50 metres down dip of NAD10-189 and intersected a 0.8 metre interval of 10 to 30% disseminated to net-textured sulphide mineralization at 58.5 metres down hole corresponding to the zone. Although the intersection is narrow, H zone remains open down dip at this location. Assays are pending for this drill hole.

### **Airborne Magnetic and Radiometric Survey**

The Company also confirms that it has completed a 33,500 line kilometre, airborne, magnetic and radiometric survey designed to cover the entire 7,500 square kilometre project area. The purpose of the survey is to identify potential areas of mafic and ultramafic intrusions which may host nickel sulphide mineralization. Upon receipt of the final data, anomalies will be prioritized and explored with stream and soil geochemical sampling, geological mapping, prospecting and EM surveys. Selected targets will be tested during a reconnaissance reverse circulation drilling program scheduled to commence after the completion of the diamond drilling program at Ntaka Hill. Approximately 3,000 metres of RC drilling are planned for calendar 2010.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "Our first drill results for 2010 have successfully confirmed the extension of high grade nickel mineralization beyond the currently defined Mineral Resources at H Zone. These new results will be incorporated into an updated resource estimate. Drilling continues to target potential additional Mineral Resources at other sulphide zones at Ntaka Hill and we look forward to reporting ongoing results as they are received and validated."

### **Qualified Persons**

The quality control, technical information and all aspects of the exploration program are supervised by Patricia Tirschmann, P. Geo., Vice President, Exploration for CNI. The information in this release was prepared under the direction of Craig MacDougall, P. Geo., President and CEO for Continental Nickel Limited. Both Ms. Tirschmann and Mr. MacDougall are qualified persons as defined by National Instrument 43-101.

### **Quality Control**

The drilling was completed by Tandrill Limited of Tanzania. Drill core samples (NQ) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes. Samples are generally 1.0 metre intervals or less at the discretion of the site geologists. Sample preparation is completed at the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps are sent by courier to ALS Chemex analytical laboratory in Vancouver, Canada. Blank samples and commercially prepared and certified Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one per sample batch. Analyses for Ni, Cu and Co are completed using a peroxide fusion preparation and ICP-AES finish (Analytical Code ME-ICP81). Analyses for Pt, Pd, and Au are by fire assay with an ICP-AES finish (Analytical Code PGM-ICP23).

### **About Continental Nickel**

Continental Nickel Limited 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 70% interest in the Nachingwea project in Tanzania, where NI 43-101 Mineral Resources have defined 40,000 tonnes of contained nickel, and ongoing exploration is underway to evaluate the potential to expand these Resources. The Company also has an option joint venture on the St. Stephen project in New Brunswick, Canada where it has recently completed a diamond drill program and is awaiting assay results. Continental Nickel Limited has 38,943,664 shares issued and outstanding (46,211,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with over C\$12.5 million in the treasury.

On behalf of

**Continental Nickel Limited**

*"Craig MacDougall"*

President & Chief Executive Officer

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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.

**Table I: Summary of Recent Assay Results – H Zone, Nachingwea Project, Tanzania.**

Drillhole	Location East/ North UTM:WGS84	Az / Dip	Length (m)	From (m)	To (m)	Interval (m)	% Ni	% Cu	% Co
<b>(NAD10) H Zone, Ntaka Hill</b>									
186	450564mE 8883200m N	90 / -69	180.3	130.4 144.65 *incl: 150.1	135.0 150.65	4.6 6.0 0.55	0.81 2.45 18.95	0.15 0.15 0.26	0.04 0.03 0.20
187	450682mE 8883275m N	90 / -61	103.5	56.0 72.45	57.4 74.50	1.4 2.05	0.63 0.72	0.11 0.21	0.02 0.03
188	450687mE 8883325m N	90 / -70	76.5	40.15 * incl: 41.6	43.35 42.15	3.20 0.55	1.66 4.52	0.13 0.07	0.02 0.05
189	450558mE 8883375m N	90 / -57	79.6	44.4 *incl: 44.4	47.65 45.5	3.25 1.1	6.54 15.93	0.30 0.65	0.08 0.20
206	450513mE 8883375m N	90 / -68	101.1	58.5	59.3	0.8	*	*	*
		Total	541.0						

\* Assays pending

Note: Intervals represent core lengths, not necessarily true widths.

Pt, Pd and Au assay results are not reported because in general, they are less than 1.0 g/t on a combined basis.

NSA – No Significant Assays;

