



IMX: FIRST ORE PRODUCTION AT CAIRN HILL

Miner, IMX Resources Limited (ASX:IXR) is pleased to announce that the first blast of ore has occurred at its Cairn Hill Phase 1 magnetite - copper - gold mine in South Australia and the mine is now in production.

IMX has been pre-stripping the first pit for four months for construction material for the ROM and laydown pads. To date approximately 380,000 bcm of material has been moved. The top of the orebody adjacent to the trial mine in Pit 1 has been exposed, drilled and blasted. This first blast comprises approximately 40,000 tonnes of ore.

Finalisation of the remaining site infrastructure continues on schedule. Managing Director Duncan McBain said "The first blast of ore marks another important milestone in the development of the Cairn Hill mining operation and we are very pleased with the progress that has been made to bring the mine into production".

Most of the contracts for the mining services, lease of equipment and transport of the ore to

the Adelaide Port have been signed. Exact Mining Services have been contracted to provide the mining services including crushing of the ore.

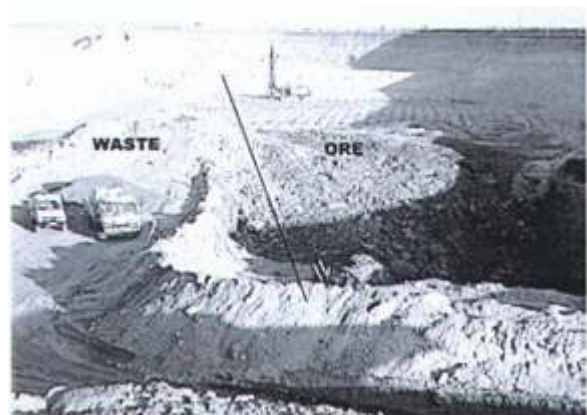
The road haulage and loading of the trains will also be undertaken by Exact Mining Services, with this contract in final form waiting execution. Stony Desert Mining Services, a joint venture between Exact Mining Services and the Antakirinja Native Title Claimant Group, will be awarded the contract subject to the finalisation of successful negotiations for the maintenance of the haul road from the mine to the Rankin Dam rail siding.

IMX will supply all the fuel on site and a biodiesel supply contract has been signed with Logicoil.

SBR, a subsidiary of SCT Logistics, has been contracted to provide rail haulage and maintenance of the rail wagons that IMX is leasing from Gemco (ASX announcement 25 May 2010).



Cairn Hill – Pit1, first blast, shot being loaded, with drilled ground and partial mining fleet in background



First blast, showing nominal ore / waste boundary. The ore dips to the left of photo



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Initially the rail operation will use an interim wagon consist, with the purpose built wagons from Gemco being progressively delivered from November.

Through the rail haulage provider, SBR, train paths to run 6 ore trains a week have been contracted between IMX's Rankin Dam loading siding and Port Adelaide.

IMX has also signed a leasing agreement with Cronos for the lease of 3050 purpose built containers for the rail transport and storage of the ore at Port Adelaide and at the same time investigating how it speed up the manufacture and shipping of containers to Adelaide.

IMX expects to shortly be able to sign the final agreement with Flinders Ports for the provision of port services at Outer Harbour at Port Adelaide, and the contracts for the provision of analytical and shipping services. A detailed Heads of Agreement was signed in May 2009.

IMX is finalising the delivery schedule of the containers to Adelaide from China. The timing of the manufacture and shipment of sufficient containers to commence raiting will determine the final date when IMX is able to commence shipment of ore to the processing plant at Bayuquan in Liaoning Province, NE China.

Due to the demand for the manufacture of containers in China and the potential delay in the delivery of the containers to Adelaide, the first shipment may be delayed from the end of the 3rd quarter to the 4th quarter.

Sichuan Taifeng has purchased a majority shareholding in the processing plant from Jilin Tonghua Iron & Steel Group (Mining) Co Ltd. Construction of the processing plant will recommence shortly and it is anticipated that the plant will be ready to receive Cairn Hill ore in around 3 months. Sichuan Taifeng and Jilin Tonghua have indicated that they will not commission the processing plant until it has received two shipments of ore from Cairn Hill.