



# \$41m ore mine at Coober Pedy

## CAMERON ENGLAND

SOUTH Australia's first new mine development of the year has been approved, with IMX Resources giving the go-ahead to its \$41.6 million iron ore mine near Coober Pedy.

The Cairn Hill mine is expected to produce 7.3 million tonnes of ore containing iron ore, copper and gold over 5½ years.

The ore will not be processed here, but will be shipped to China via Darwin for processing.

IMX managing director Duncan McBain said yesterday the key to the mine's fate was a \$13.9 million funding and offtake deal signed with Chinese firm Tonghua Mining in December.

Under the deal, Tonghua would buy all of the mine's production for three years, worth about \$100 million at today's metals prices and exchange rates.

The mine was expected to employ about 45 people and the firm wanted the project started as soon as possible.

"With the offtake arrangement in place, we can now proceed with confidence on the development of Cairn Hill, and are aiming to be in full production early in the third quarter of 2008, with our first shipment before the end of the year," Mr McBain said.

"We have been active in advancing our environmental and mining approvals, and are close to finalising all funding arrangements."

There are a number of approvals still outstanding, such as the Mining and Rehabilitation Plan

and access agreements with the Department of Defence to the Woomera prohibited area, but the company did not anticipate any problems with these being granted.

The project would produce a concentrate averaging 50.9 per cent iron, 0.43 per cent copper and 0.13 grams/tonne of gold.

The first shipment was scheduled for the last quarter of 2008, and would be transported via the Adelaide to Darwin railway to the Port of Darwin. Mr McBain said Port Pirie was considered first – and was likely to be more expensive.

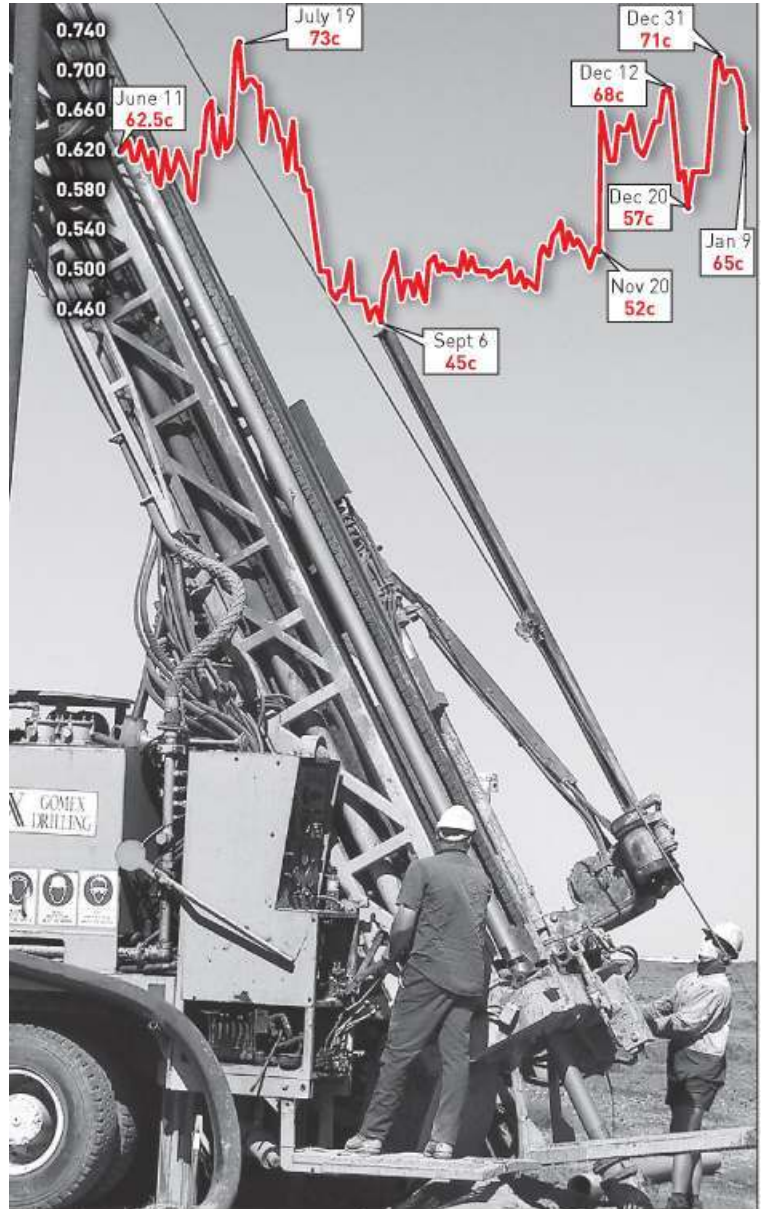
"In early 2007, IMX Resources determined access to Port Pirie was likely to be easier than Whyalla, with the outcomes more within the company's control," the company said.

"IMX Resources actively pursued the Port Pirie option, engaging Connor Holmes in Adelaide in October to assist the company formulate a development application.

"The substantial rise in ocean freight rates and the prospect of scheduling conflicts, brought on by an increase in the potential number of users for the barges and transshipper, has prompted a re-examination of the option to ship the Cairn Hill ore through Darwin.

"In the longer term, IMX Resources is keen to see a deep water capsize minerals port built at Port Bonython in South Australia, with common user facilities. The company believes this is the best long-term option for the Cairn Hill project."

IMX Resources shares closed 3.5c lower at 64.5c.



**BIG BUSINESS:** IMX workers at the Cairn Hill project near Coober Pedy