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IMX eyes \$40m from Chinese

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IMX Resources managing director Duncan McBain is pounding the pavements of China, looking for \$40 million in funding for the Cairn Hill iron ore mine in South Australia.

The mine, southeast of Coober Pedy, had its mining and rehabilitation plan approved by Primary Industries and Resources SA.

Funding for the project was well advanced in the second half of last year, but then became a casualty of the global financial crisis.

Mr McBain, speaking from China yesterday, said he was talking to a number of parties and funding could be finalised in a matter of weeks or months.

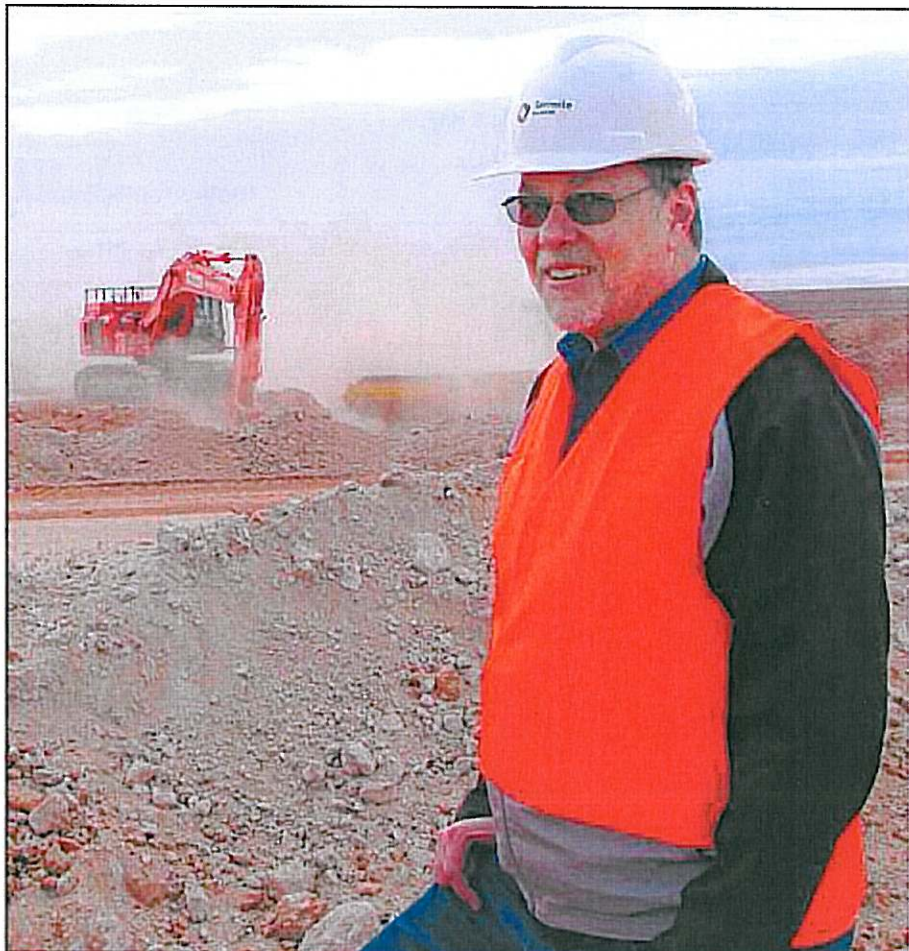
IMX aims to start mining by late in the second quarter of this year, with the timetable slipping slightly from late last year.

"Towards September, we all felt very confident that there were lots of different sources of finance, but since that time the banks have all run away," Mr McBain said.

"So we're back at China and there's a range of people we've been talking to for a long time. It's a question of trying to reinvigorate those discussions.

"We've got a total, including the working capital we need to get ourselves up and running, of about \$40 million."

The company said in a statement this week it had



MAN ON A MISSION: Duncan McBain . . . "a range of people we've been talking to

\$10.8 million in the bank at the end of last month, with capital expenditure commitments at Cairn Hill of about \$5.8 million.

This left \$5 million - enough to see it through 12 months of exploration and corporate spending.

Mr McBain said infrastructure works at the

Cairn Hill site were nearing completion. These included a road underpass, civil works for the rail loading loop and the haul road from the mine to the Adelaide-Darwin rail line.

The company was also looking at ways to reduce its capital expenditure. IMX yesterday released

exploration results from its Nachingwea joint venture in Tanzania, including assays of up to 15.96 per cent nickel and 1.33 per cent copper over 2.45m.

Mr McBain said this project, in partnership with Canada's Continental Nickel, was shaping up to be world-class.