



# IMX Drilling for Copper and Magnetite

In their Quarterly Report ending 30 June IMX announced that geophysics has highlighted priority drill targets in the Mt Woods Project.

Drilling will commence mid July for copper and magnetite targets.

### Cairn Hill

All site approvals have been obtained.

Final negotiations with PIRSA on MARP have been concluded.

The mining bond is in the process of being lodged.

Shipping is able to commence 4 months after a shipping licence is granted, subject to appropriate finance being obtained.

There is potential to increase production from 1.4mtpa to 1.7mtpa.

### Project Funding

Discussions continue with several potential investors and providers of finance for the project, encompassing various styles of transactions, to provide funding for Phase 1 of the Cairn Hill project.

While IMX has received offers of finance, to date none of these have

been considered to be in the interests of all shareholders.

The environment for both traditional investors and industry participants has improved over the past few weeks and IMX believes that future funding options will be more attractive to its existing shareholders.

### Cashflows

The review of project economics resulted in a switch from shipping through Darwin to shipping through Adelaide as the preferred option.

Assuming leasing of the containers for railing and storing the ore, the capital costs have been reduced to \$8.5m with an additional \$12m required for working capital.

The operating costs are being reviewed in order to reduce the FOB costs.

The absence of a cape size port at or near Pt Bonython adds between \$8 to \$10 per tonne to the FOB costs.

Rapid progress on the develop-

ment of Pt Bonython is essential for the expansion of Cairn Hill and for longer term viability of the iron ore industry in South Australia.

During the quarter, IMX Resources applied for a new exploration licence covering an 80km<sup>2</sup> area, approximately 95km south-east of the Cairn Hill mine.

The application covers an untested 7km long strong magnetic lineament which occurs along strike from the high grade Hawks Nest iron deposits which include hematite and magnetite mineralisation.

A compulsory partial surrender of 273 km<sup>2</sup> was made for the Mt Woods project exploration licences as part of an Amalgamated Expenditure Agreement with PIRSA during June.

The Mt Woods project area (granted and application) now totals approximately 3,202 km<sup>2</sup>.

