



## African beauties on the horizon

Being bitten by the GFC is no excuse for **IMX Resources Ltd** to deviate from its plan of staying true to investors, according to managing director Duncan McBain.

While McBain said the March sale of the company's Four Mile royalty, covering tenements at the Beverley Four Mile uranium resource in South Australia, was not a reaction to the GFC, it provided a handy cash injection for IMX nonetheless.

Pocketing \$6 million from the sale to Anglo Pacific Group plc, IMX is now fully funded until June 2010 to pursue exploration activities and advance projects.

"It doesn't benefit our shareholders to spend money we do have sustaining a lifestyle for managers and directors," he said.

"If we're going to be in the business we've got to be exploring and that's why we sold the royalty. If we sit here and basically turn off the taps totally there is no reason for anyone to invest in us."

The company has been rewarded for its commitment to exploration with maiden resources reported from its 30-70 JV with TSXV-listed Continental Nickel Ltd (IMX has a 47.3% shareholding in Continental) at its Nachingwea nickel deposit in Tanzania.

The measured and indicated resource is 1.13mt @ 2.43% nickel, 0.40% copper and 0.06% cobalt (at \$US100/t NSR cut-off) for 61 mlb of nickel metal.

At a lower cut-off of \$US23/t NSR the measured, indicated and inferred resource is 3.16mt @ 1.29% nickel, 0.24% copper and 0.04% cobalt for 89.9 mlb of nickel metal.

"What really differentiates Nachingwea from other projects is that you have got very high-grade zones, the drill results have been up to 17% nickel, which is very unusual."

The company is some way from commercialising the deposit, however McBain hailed existing infrastructure in the area as "fantastic even for Australian standards".

The project's Ntaka Hill deposit is 250km from the coast and the port at Mtwara still has sheds remaining from when Zambian concentrate was exported in the 1970s.

About 200km of bitumen road complement the existing infrastructure, but McBain said repairs in the last 50km of the stretch would need to be upgraded to accommodate heavy haulage.

Having such a large land holding in Nachingwea the company has prioritised 28 other targets, to be explored this year, with \$C2.5 million (\$C11 million has already been spent) allocated to priority targets.

The company aims to build up the Nachingwea resource to somewhere in the vicinity of 50-100,000t of contained nickel before expanding into a feasibility study, by which time McBain said nickel prices should be in the range of \$15-20,000/t.

IMX also has interests in the north of Tanzania with its 100%-owned Mibango nickel and PGE project.

After investing almost \$US17 million on IMX's behalf, Lonmin walked away from the Mibango project at the end of the last field season, ultimately ending the six-year JV.

IMX exploration manager Bianca Manzi said the company would continue to investigate Mibango's potential this year, spending \$US500,000 on field mapping and soil and rock chip sampling to complement the geophysical data base to decide whether it was worth launching a drilling programme.

"We've pretty much turned the project back to grass roots-style of exploration to get the geology done to make sure we know exactly what is out there. It's quite mountainous and not the easiest of areas to access," she said.

The company classed Mibango as a traditional exploration project saying: "It's more of a challenge what the people in the 1960s and 70s did, which is get your boots on and go



bush. It's not armchair geology".

IMX also has grass roots projects to the north of Mozambique where it hopes to apply the lessons learned at Nachingwea during its development.

McBain said operating in Tanzania was made easier by a Government open to the idea of expanding its resources industry.

"We've had much more contact with the Tanzanian Government and I think there is a desire to build a mining industry, so I think they are very supportive."

IMX has also moved forward on the Mt Woods projects – home to the Cairn Hill magnetite-copper-gold prospect – south-east of Coober Pedy in South Australia.

Just weeks before the company was to secure bank finance for Cairn Hill the GFC

intervened, forcing the project onto the back-burner.

However, with its finances now in much better shape, RC drilling has restarted at Mt Woods.

The planned 10,000m regional exploration drilling programme will test a number of geo-physical and geochemical targets that may represent IOCG and or Tennant Creek style copper-gold targets.

It will also test extensions of the Cairn Hill magnetite project within the highly prospective Mt Wood Inlier.

Diamond drilling is also planned to test extensions at depth of the Black Hills (South) prospect, where RC drilling has previously intersected narrow zones of sub-economic gold and copper mineralisation.

### Mark Andrews



Maiden resources at IMX's Nachingwea project have revealed promising nickel grades