



Exploration on agenda

OZ Minerals to focus future efforts on copper business

COPPER and gold producer OZ Minerals Ltd will spend part of its hefty cash reserves on exploration and acquisitions next year.

OZ Minerals chief Terry Burgess said the company was expecting to spend between \$40 million and \$50 million on exploration in 2010.

The company, which had been deeply in debt earlier this year, sold off most of its assets to a Chinese company in May. This allowed it to pay off creditors and left it with about \$1 billion in available funds.

OZ Minerals now focuses activities around its flagship Prominent Hill mine in South Australia.

"Our key area of exploration potential of course is around Prominent Hill," Mr Burgess said.

"A discovery there would add more value for our shareholders than anything else could do," he said.

Yesterday the company said it had struck a deal with IMX Resources Ltd to explore and develop copper-gold projects in SA.

The companies plan to jointly explore and develop IMX's Mt Woods tenements in SA, which abut tenements held by OZ Minerals.

Mr Burgess said OZ Minerals was also looking at acquisitions, focusing its search on companies in Australia and South East Asia.

"With regards to copper, we see anything above 50,000 tonnes per year of cop-

per as being something we would be very interested in," Mr Burgess said.

"Ideally we would be looking for something that is already in operation, if we could, to add to our production out of Prominent Hill," he said.

Mr Burgess said OZ Minerals planned to focus its future efforts on copper, but other commodities would be considered if warranted.

As part of the deal with IMX, OZ Minerals will take up 26.15 million IMX shares at 38.5 cents each that the miner said represented a 25 per cent premium to the 30-day volume weighted average price of the stock prior to the announcement.

The placement will inject \$10.068 million into IMX, with OZ Minerals holding 13 per cent of the company as a result.

Resources analyst with Mine Life, Gavin Wendt, said it was a good time for OZ Minerals to be cashed-up.

"There are a number of emerging opportunities and number of companies with very good copper exploration ground that seemingly could be turned into commercial projects," Mr Wendt said.

He said the deal with IMX made sense for OZ Minerals.

"I think we are likely to see more of those sorts of deals from these guys. They have a huge cash backing," Mr Wendt said.

Shares in OZ Minerals closed up four cents, at \$1.22, while shares in IMX Resources ended the day up 3.5 cents, at 36.5 cents.