



Oz Minerals, IMX in exploration venture

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OZ MINERALS has kicked off a new exploration and acquisitions strategy by signing a joint venture agreement with iron ore explorer IMX Resources.

At a strategy meeting yesterday, the company also announced it was ramping up plans for a \$300 million underground mining operation at its Prominent Hill mine. Construction could start in the first half of 2010.

Oz Minerals' open-cut mine has already surpassed its minimum targets for the year, producing more than 85,000 tonnes of copper and 65,000 ounces of gold.

Under the IMX agree-

ment, Oz will target copper and gold within IMX's tenements to the north of Prominent Hill, after acquiring 13 per cent of the junior explorer through a \$10 million share placement.

Oz will earn 51 per cent in the copper-gold joint venture on the provision it spends \$4 million a year on exploration for five years.

The rights to any predominantly iron-ore mineralisations will remain with IMX. IMX managing director Duncan McBain said Oz had been pursuing IMX "on and off" for a couple of years. "Prior to this we always thought there was a

bit more value to be recognised, (but) this is a good deal for both companies," he said.

Pledging to spend between \$40 and \$50 million a year on copper and gold exploration, Oz said the IMX deal was part of a broader exploration program, focusing on 19 targets in the immediate surrounds of its Prominent Hill mine.

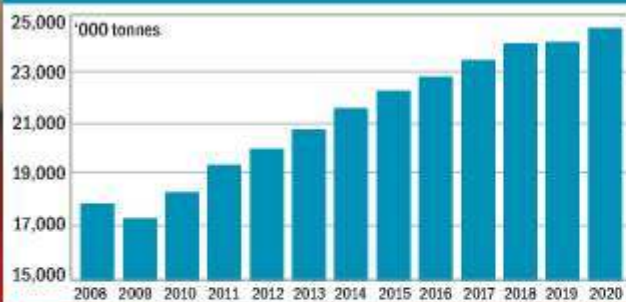
Oz chief executive Terry Burgess said the company hoped its exploration activities would prove up a minimum of 100 million tonnes of ore at a grade of 1 per cent copper. "That would be a useful satellite

deposit that can fit the existing plant, but our ultimate ambition is to find something as large as Prominent Hill or something even larger," he said.

Mr Burgess also outlined an acquisitions plan for the miner, which has cash on hand of \$1 billion after selling the bulk of its assets earlier this year to Chinese company Minmetals.

He said Oz was interested in acquiring advanced copper projects in Australia and South-East Asia that had the potential to produce more than 50,000 tonnes of copper a year.

FORECAST GLOBAL REFINED COPPER CONSUMPTION



PARTNERSHIP: Oz Minerals chief executive Terry Burgess and, inset, IMX managing director Duncan McBain.

Main picture: SIMON CROSS