



# Chinese splurge \$47m on IMX, project stake

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Chinese interests have made their first splash into WA's resources sector for the year, with a \$47.1 million deal to develop IMX Resources' flagship iron ore and gold-copper project.

Shares in IMX rose 7 per cent on news of the \$47.1 million funding deal with private Chinese group Taifeng Yuanchuang International Development Company. The stock closed 3¢ higher at 45.5¢.

Under the terms of the deal Taifeng will pay \$23 million for a 50 per cent stake in IMX's 50 per cent owned Cairn Hill project in South Australia and an additional \$24.1 million for a 19.9 per cent stake in the company, priced at 48.4¢ a share.

Taifeng will also help IMX with loan financing for its share of the

planned phase two development at Cairn Hill.

The deal is subject to due diligence and approval by shareholders and the Foreign Investment Review Board.

IMX hopes to bring Cairn Hill into production by the middle of the year. It already has an offtake deal with another Chinese group to cover 1.4 million tonnes of iron ore — of a planned 1.7mtpa under phase one — from Cairn Hill.

Cairn Hill lies about 100km outside the Woomera exclusion zone and it is understood IMX has an agreement with the Federal Government about how the project can be developed.

Taifeng Yuanchuang is the Hong Kong-based subsidiary of the privately owned Sichuan Taifeng Group. IMX is the group's first investment in Australia. Yesterday's

heads of agreement is IMX's second significant deal in as many months after OZ Minerals decision to buy 13 per cent of the company.



SOURCE: BLOOMBERG