



# OZ venture to fund copper search

BUSINESS  
 EDITOR

CHRISTOPHER  
 RUSSELL



OZ Minerals will immediately begin exploration for copper and gold under a joint venture with IMX Resources in the Mt Woods tenement adjacent to the Prominent Hill mine in the state's Far North.

"OZ Minerals considers these tenements very important in our strategy of maximising value from our existing assets," managing director Terry Burgess said yesterday.

"The likelihood of an economic discovery within the IMX tenements is greatly improved due to the proximity to the Prominent Hill mine and supporting infrastructure."

The joint venture follows a heads of agreement reached last November.

It allows IMX to retain the iron ore rights but for copper and gold to be developed under the joint venture and most likely processed at OZ's Prominent Hill plant.

IMX is developing its Cairn Hill iron project, within the same exploration tenement as Mt Woods, with the aim of beginning to ship ore from

August this year.

"IMX will continue to develop the Cairn Hill project and other iron ore projects," IMX managing director Duncan McBain said.

"The joint venture with OZ Minerals means a very significant increase in expenditure at Mt Woods, well in excess of what IMX could afford.

"IMX intends to be an active joint venture partner and iron ore explorer in the Mt Woods area."

OZ Minerals will have a 51 per cent interest in the joint venture, but must spend an average \$4 million a year over the next five years to a total of \$20 million or risk forfeiting its interest.

After this expenditure, both companies will have the option to contribute pro rata to any further exploration expenditure.

If IMX chooses not to contribute, it will be free carried but diluted to 25 per cent - a minimum stake it will hold until a bankable feasibility study is concluded. Thereafter, IMX could either fund its

share of development or be further diluted by OZ Minerals or have its interest converted to a royalty.

OZ already has a 13 per cent stake in IMX.

Also yesterday, the OZ Minerals board unanimously elected Neil Hamilton as chairman. He replaces Barry Cusack who retired yesterday along with fellow director Peter Mansell.

Mr Hamilton and Charles Lenegan were both appointed to the board in February. Mr Hamilton is chairman of Mount Gibson Iron, Milyn Express Offshore and a director of Metcash.

He recently announced he would in May retire as chairman of Iress Market Technology and Northern Iron.

"The company has a clear vision and well considered strategy and I - along with the rest of the board - look forward to supporting and guiding management in aggressive pursuit of its goals for superior returns." Mr Hamilton said.

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**AT THE TOP:** OZ Minerals managing director Terry Burgess with just-elected chairman Neil Hamilton