



Joint copper-gold venture

OZ Minerals-IMX deal

OZ Minerals Ltd and IMX Resources Ltd have formalised an agreement to explore for copper and gold in South Australia.

The two companies signed a heads of agreement last year outlining their intentions to form the joint venture to explore for and facilitate the development of copper-gold projects in IMX's Mt Woods tenements in SA.

In a joint release yesterday the companies said the agreement had now been signed.

The Mt Woods' tenements are close to OZ Minerals' tenements that con-

tain the Prominent Hill copper and gold mine.

OZ Minerals was left with Prominent Hill as its only producing asset after it sold nearly all its mines to a Chinese state-owned company last year to pay down debt.

"The area surrounding Prominent Hill, including the joint venture tenements, is considered by OZ Minerals to be highly prospective for the discovery of similar types of deposits under thin cover and, as such, is OZ Minerals' highest exploration priority," the statement said.

When the initial agreement was reached between

the companies last year, OZ Minerals took a 13 per cent stake in IMX and has the right to maintain its shareholding interest for 12 months.

An IMX placement of shares to Chinese company Sichuan Taifeng in January this year triggered that right and OZ Minerals said it would subscribe to an additional 7.759 million IMX shares at \$4.844 per share to maintain a 13 per cent holding.

Under the terms of the latest agreement, OZ Minerals has an immediate 51 per cent interest in the just signed joint venture.

The stake will be maintained providing Oz Minerals spends a cumulative minimum of \$4 million a year during the next five years.

If OZ Minerals does not spend that amount, it forfeits its entire 51 per cent interest in the joint venture.

UBS mining analyst Jo Battershill said if the companies were to make a significant find, IMX would stand to benefit most.

"If they discover another Prominent Hill, then clearly the upside is going to be more with IMX from a valuation perspective," Mr Battershill said.



LUCRATIVE SITE . . . Prominent Hill