

Australian iron ore miner mulls local listing

Australia-listed IMX Resources is considering a secondary listing in Hong Kong to raise fund for future acquisitions and to get closer to Chinese investors, managing director Duncan McBain said.

But the company has no immediate need for capital, as it is backed by a A\$41 million (HK\$266.53 million) investment from substantial shareholder Sichuan Taifeng, McBain said.

Also "the Perth branch of the Bank of China (3988) verbally agreed to grant

us a loan facility of A\$25 million, which will be enough to fund the second phase of the Cairn Hill mining project," McBain told *The Standard*.

The first phase of the Cairn Hill iron ore mine in South Australia has begun operations and is expected to generate revenue from October, he said.

"Hopefully it will contribute a profit to the firm in the next financial year ending June 2011," non-executive chairman Johann Jacobs said. The miner expects

iron prices to decline 50 percent over the next five years from the current "abnormally high level" of about US\$120 (HK\$936) per tonne, McBain said.

McBain is disappointed by the Australian government's proposal to levy a 40 percent tax on natural resources firms. There was a lack of public consultation, he said. "It psychologically hurts the industry, though we expect some changes before the government drafts the law in the first quarter of 2011," he said.



Duncan McBain: IMX fully backed. SING TAO

IMX's rate of return may fall to 10 percent from 14 percent if the super-profits tax is imposed, said McBain.

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