



Blast off: Cairn Hill starts to mine ore

CAMERON ENGLAND



THE first of South Australia's new crop of iron ore miners has started production, with IMX Resources conducting its first blast this week.

The company announced yesterday that it had blasted about 40,000 tonnes of ore, following four months of overburden removal.

IMX has beaten Centrex Metals and IronClad Mining to become the state's first new iron ore miner since BHP started prospecting around what was to become Whyalla 110 years ago.

IMX is still finalising the site infrastructure at the Cairn Hill mine, 55km south-east of Coober Pedy, and expects to ship its first ore to China in the third or fourth quarter of the year.

IMX managing director Duncan McBain said the process to put the logistics for the operation in place was on schedule.

"The first blast of ore is another important milestone in the development of the Cairn Hill mining operation and we are very pleased with the progress that has been

made to bring the mine into production," he said.

Most of the contracts for the mining services, lease of equipment and transport of the ore to Port Adelaide have been signed, the firm said.

"IMX expects to shortly be able to sign the final agreement with Flinders Ports for the provision of port services at Outer Harbour at Port Adelaide, and the contracts for the provision of analytical and shipping services.

"A detailed heads of agreement was signed in May, 2009."

IMX will transport its ore from Cairn Hill to a rail siding, where it will be placed in containers for shipping via Port Adelaide to China.

The company is waiting for delivery of the containers, which will allow it to start exports.

"Due to the demand for the manufacture of containers in China and the potential delay in the delivery of the con-

tainers to Adelaide, the first shipment may be delayed from the end of the third

quarter to the fourth quarter," the company said.

"IMX is investigating with (container agent) Cronos how it may be able to speed up the manufacture and shipping of the containers to Adelaide in order to be able to ship in accordance with the original schedule."

The Cairn Hill project is half owned by IMX, with the other half owned by Chinese company Sichuan Taifeng, which is also a substantial shareholder in the company.

IMX has a life of mine agreement with Taifeng affiliate Jilin Tonghua Iron and Steel to buy the production from Phase one of Cairn Hill, and process it in China.

Phase one is expected to produce 7.3 million tonnes of ore at a rate of 1.7 million tonnes a year, and employ about 100 people.

"The immediate upside for Cairn Hill / Mt Woods remains the definition of further resources to support a long-term 3-5 million tonne per annum iron ore operation," IMX said.

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THE CAIRN HILL MINE

- 55km southeast of Coober Pedy.
- 879km to Port Adelaide, the initial export point.
- Indicated resource of 10.5 million tonnes at 50 per cent iron, 0.39 per cent copper and 0.12g/t gold.
- Jilin Tonghua Iron & Steel to buy up to 1.7 million tonnes a year of ore on a 3-year contract. Ore shipped to Liaoning Province, northeast China, for processing.
- First shipment set for third or fourth quarter of this year.
- Phase one funding fully secured including investment of about \$24 million from Sichuan Taifeng.
- Stony Desert Mining Services - a joint venture between Exact Mining and Antakarinja people - will tender for road maintenance.





LET'S ROCK: IMX managing director Duncan McBain