

Media Monitoring

8 June 2010

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SA explorer IMX starts iron ore production, leading state's new crop of miners

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From: [The Advertiser](#)
June 04, 2010 3:08PM

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

IMX Resources has announced 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 southeast 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 marks 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 company 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 currently 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 containers 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 per 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.