

## Media Monitoring

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# IMX ore mine set to go as Chinese backer gets nod

The first iron ore mine in South Australia in more than a century is set to begin production after its big Chinese investor received Australian government approval to lift its stake in IMX Resources and invest in its Cairn Hill project.

IMX shares jumped 5¢, or 12.82 per cent, to 44¢.

Perth-based IMX said the Foreign Investment Review Board had approved Sichuan Taifeng's acquisition of up to 19.9 per cent of IMX.

The FIRB approval allowed IMX to place 21.7 million shares at 48.4¢ a share to Sichuan Taifeng, raising \$10.5 million.

Sichuan Taifeng has spent \$25.05 million on its investment in IMX.

IMX will also place 7.8 million shares with fellow SA-focused miner OZ Minerals, maintaining OZ Minerals' original 13 per cent shareholding and raising an additional \$3.7 million.

Sichuan Taifeng has received FIRB approval to take a 49 per cent interest for about \$24 million in IMX subsidiary Outback Iron, which holds the Cairn Hill project near Coober Pedy.

Sichuan Taifeng was not allowed to take a 50 per cent stake in Outback Iron as originally contemplated.

As the Cairn Hill project is within the Woomera prohibited area, the approval of the Department of Defence also needs to be provided to Treasurer Wayne Swan.

The department was expected to confirm late yesterday that it was satisfied land access arrangements did not threaten national security interests, IMX said.

The transaction also requires approval from China's National Development and Reform Commission, a macro-economic management agency under the state council.

"The final approval is very important for IMX as it allows, with minor

modifications, the original agreement to be implemented, thus realising the full potential from our Cairn Hill projects and placing IMX in an exceptional position for growth," IMX managing director Duncan McBain said in a statement.

"Fortunately, the flexibility that Sichuan Taifeng has demonstrated by entering into an interim agreement has allowed the commencement of mining prior to FIRB approval."

The first cargo of ore from Cairn Hill is expected to be shipped in the fourth quarter of this financial year, Mr McBain said.

AAP