



30 NOVEMBER 2009

# ASX Release

## IMX Resources and OZ Minerals Heads Of Agreement and Share Placement

OZ Minerals Limited (ASX:OZL) and IMX Resources Limited (ASX:IXR) have signed a binding Heads of Agreement with the intention of forming a Joint Venture Agreement to explore for and develop copper-gold projects on IMX's Mt Woods tenements in South Australia. These tenements are largely contiguous with OZ Minerals tenements, which include its Prominent Hill mine (Figure 2). IMX will retain the rights to any predominantly iron ore discoveries.

OZ Minerals considers the area surrounding the Prominent Hill copper-gold mine to be prospective for the discovery of similar types of deposits and as such, the tenements surrounding Prominent Hill are a high exploration priority.

Commenting on the deal, IMX Managing Director, Duncan McBain said "IMX sees the proposed copper-gold Joint Venture as a win-win situation that will result in a greatly increased level of exploration expenditure for copper-gold targets during the next five years. IMX intends to be a very active joint venture partner. With IMX retaining the rights where iron ore is the dominant economic mineral, it means we are able to continue to expand our iron ore strategy in the Cairn Hill / Mt Woods area", he said

On announcing the proposed Joint Venture Agreement, OZ Minerals Managing Director and CEO Terry Burgess said, "The Joint Venture will allow exploration on the IMX tenements to be expedited, for the benefit of both OZ Minerals and IMX shareholders. The proximity of the tenements to the existing Prominent Hill mine infrastructure greatly enhances the chance of an economic discovery."

In addition to the exploration agreement, IMX has agreed to place 26,150,000 fully paid ordinary shares (representing 15% of its issued capital) to OZ Minerals at 38.5 cents per share, which is a 25% premium to the 30-day VWAP prior to this announcement. IMX will receive \$10.068m from the placement. Following the placement OZ Minerals will hold 13.0% of IMX.

### **Details**

The two parties have entered a binding Heads of Agreement with the intention of rapidly progressing this to a formal Joint Venture Agreement.

On signing the Joint Venture Agreement, OZ Minerals will immediately earn a 51% interest in the proposed copper-gold Joint Venture and will retain this provided it spends a minimum of \$4 million a year over the next five years for a total of \$20m. If OZ Minerals fails to spend this amount it forfeits the entire 51%.

After this expenditure, both parties have the option to contribute pro rata to any further expenditure on exploration. Should IMX not contribute, OZ Minerals can earn up to a maximum of 75% at this phase by sole funding a further \$20m, with IMX progressively diluting. IMX cannot be diluted below 25% and would at this point be free carried through the conclusion of a bankable feasibility study (BFS) on any discovery.

Upon successful completion of a BFS and subsequent decision to proceed with a development, IMX has the option of either funding its 25% share of development to retain its interest or converting to a royalty of between 2.5-3.0%.

Depending on the magnitude and nature of any discovery, ore from a development could be processed through OZ Minerals Prominent Hill operations.

The Joint Venture excludes any discoveries made by either IMX or the Joint Venture in which the iron ore/magnetite value exceeds the combined value of the other minerals which will then revert to IMX. The Joint Venture excludes iron ore/magnetite on the Cairn Hill mineral lease currently owned by Termite Resources NL (100% IMX) but does include any new discoveries that are not predominately iron on this lease.

Commenting on the transaction, OZ Minerals Head of Business Development Richard Hedstrom said "This agreement is a tremendous opportunity for both parties to extract maximum value from their respective assets and is very much in line with the OZ Minerals strategy of investing in prospective early stage exploration projects."

The IMX shares to be placed to OZ Minerals will be subject to a 24 month escrow with a 12 month non dilution clause.

Reflecting the significance of the investment in the exploration program and the equity, IMX has invited John Nitschke, Executive General Manger – Projects & Technical Services, OZ Minerals, to join the Board of IMX.

Johann Jacobs, Chairman of IMX, said "The IMX board welcomes John Nitschke and looks forward to building a beneficial relationship with OZ Minerals."

For further information please contact:

**Natalie Worley**

Head of Investor and External Relations,  
OZ Minerals  
T 61 3 9288 0345  
M 61 409 210 462  
[Natalie.worley@ozminerals.com](mailto:Natalie.worley@ozminerals.com)

**Duncan McBain**

Managing Director,  
IMX Resources  
T 61 8 9388 7877  
M 61 422 975 809  
[dmc bain@imxres.com.au](mailto:dmc bain@imxres.com.au)

OZ Minerals Limited  
ABN 40 005 482 824  
Level 22, 28 Freshwater Place  
Southbank, VIC 3006 Australia  
GPO Box 1291K Melbourne VIC 3001  
T: +61 3 9288 0333  
F: +61 3 9288 0300  
W: [www.ozminerals.com](http://www.ozminerals.com)

IMX Resources Limited  
ABN 67 009 129 560  
Level 2, Unit 18, 100 Railway Road  
Subiaco WA 6008 Australia  
PO Box 879 Subiaco WA 6904  
T; +61 8 9388 7877  
F: +61 8 9382 2399  
E: [info@imxres.com.au](mailto:info@imxres.com.au)  
W: [www.lmxresources.com.au](http://www.lmxresources.com.au)

Investor Relations:

Warrick Hazeldine  
Purple Communications  
T: +61 8 9485 1254  
[whazeldine@purplecom.com.au](mailto:whazeldine@purplecom.com.au)

Figure 1: IMX / OZL tenement positions

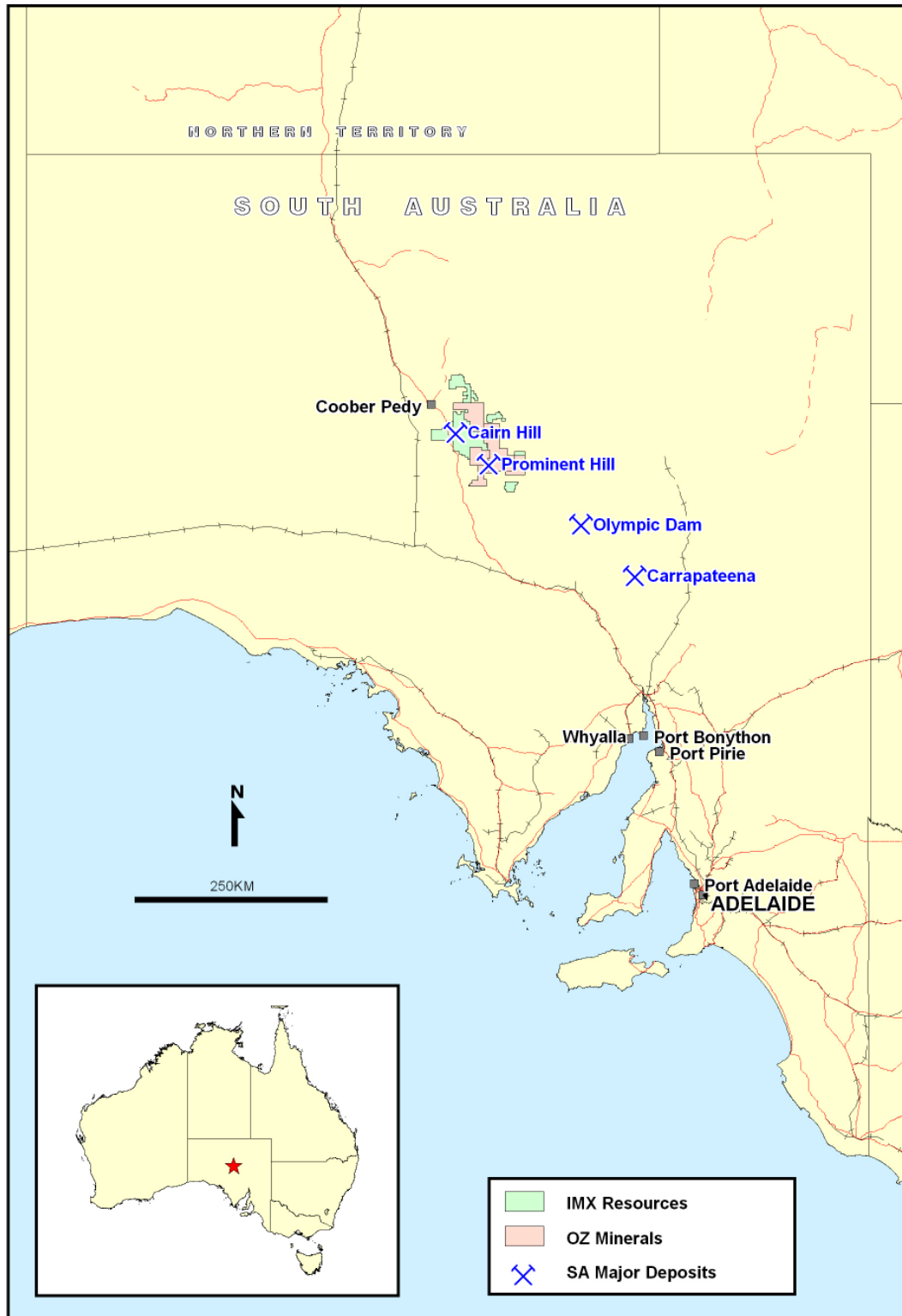


Figure 2: OZL / IMX tenements overlain on gravity

