

SE Business
HD **IMX cuts its cloth to suit its means IMX shifts its focus**
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The phrase changing winds and shifting sands is apt for IMX Resources, which probably deserves status as a poster child for what is happening at the junior end of the **mining** sector.

Not that long ago IMX was trumpeting its ability to profitably ship **iron ore** from the small Cairn Hill magnetite operation in South Australia while spending money on the drill bit to unearth direct-shipping hematite nearby at the Mt Woods project.

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Then came the great **iron ore** crash of 2014, and Cairn Hill was gone (placed into administration in June) and Mt Woods sold (for \$3.7 **million**, announced last month and due to settle soon).

The latest chapter in IMX's life, since February under the hands-on chairmanship of Derek Fisher, is to hunt for graphite and **gold** riches in Tanzania.

There is no synergy with **iron ore** near Coober Pedy, just an example of a **company** small enough to shift from no-longer-hot metal to hot metal. It has been happening at the junior end for decades though rarely demonstrated as extremely as by IMX.

This week IMX expects to kick off a major drilling campaign at the Nachingwea project in southern Tanzania, with particular focus on the Chilalo graphite and Kishugu **gold** prospects.

IMX is planning 100 holes of reverse circulation (for 10,000m) and diamond (1000m) drilling.

There has been some past drilling at Nachingwea and IMX also expects to benefit from \$US10 **million** spent on the tenements by **China**'s MMG, which has since quit a farm-in deal.

IMX's priority, and biggest hope, is to confirm coarse-flake graphite at Chilalo. It has already warmed investors to the prospect of a maiden JORC-compliant mineral resource in the first quarter of next year.

The well-promoted Syrah Resources has seen its share price explode from \$2.50 a year ago to as high as \$5.99 — it last traded at \$4.02, for a \$657 **million** market cap — amid excitement about its Balama graphite project in Mozambique and the possibility of corporate activity.

Syrah says Balama is the biggest and one of the highest-grade flake graphite and vanadium projects in the world.

It is music to the ears of IMX, which has wasted little time to boast that Chilalo is also located in the so-called Mozambique Belt.

IMX shares are struggling at 2.1¢ though one suspects the register shake-out that accompanied the end of **iron ore** ambitions and a renewed focus on greenfields exploration has had something to do with the downtrodden price.

IMX has completed a \$3 **million equity** raising, with the cash earmarked for Nachingwea, while the proceeds from the Mt Woods **sale** should leave it debt free.

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