

# Ivanhoe joins Exco in copper exploration

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IVANHOE Mines, led by colourful North American mining entrepreneur Robert Friedland, has stepped up its presence in Australia after signing a joint venture deal with Queensland explorer Exco Resources.

Ivanhoe's Australian arm, rumoured to float on the Australian Securities Exchange later this year, has taken up nearly \$8 million of a \$12.3 million placement in Exco, giving it a 12 per cent stake in the company.

In return, Ivanhoe Australia has received a 12-month, \$600,000 option over some of Exco's tenements not already covered by separate joint venture deals with Xstrata and BHP Billiton.

After the option period, Ivanhoe can spend \$5 million over three years to earn rights to 80 per cent of the projects.

Although listed in Canada, Ivanhoe is better known for its Mongolian interests, including the Oyu Tolgoi copper project it is developing with Rio Tinto. It has been exploring for copper and gold near Cloncurry since 2003.

In a presentation in January to the Sydney Mining Club, Mr Friedland said the Cloncurry exploration program had produced some exciting finds.

"When you see these kind of rocks ... you don't need Viagra," he said. "We are still up high. The truth is below us. We are going to drill down. We don't care what it costs. We're crazy."

Ivanhoe recently appointed former Newcrest Mining investor relations head Peter Reeve to head its Australian operation.

Mr Reeve approached Exco about the possibility of a joint venture, since they have neighbouring land packages.

Exco has ground that borders the Rocklands deposit held by controversial explorer CuDeco, but Mr Reeve said Ivanhoe wasn't interested in a deal with CuDeco.

Exco managing director Michael Anderson said the funding would help his company proceed with its own exploration plans. It already has 345,000 tonnes of copper resources on its ground and wants to increase its annual exploration spend to \$5 million.

"We're looking at a real step-up of our own activities," he said. "It's almost a double whammy with a partner like [Ivanhoe] behind us." Exco shares closed 3c higher at 34c.

The \$12.3 million placement to Ivanhoe and Lion Selection and clients of Stripe Capital was conducted at 30c a share.