



Authoritative, insightful, timely

MiningNewsPremium.net

## Ivanhoe, Intec to buy Westmet's Hellyer project

Wednesday, 31 December 2003

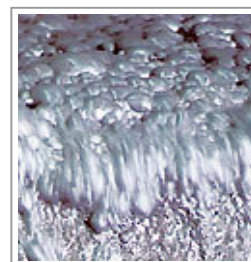
Greg Tubby

**IVANHOE Mines and University of Sydney-based listed technology company Intec have agreed to buy the Hellyer metals project in Tasmania from failed base metals miner Western Metals for \$1.6 million.**

The acquisition is being made through IVNL Gold, a company jointly owned by Intec and Ivanhoe, which also owns 23.2% of Intec.

IVNL's obligations are guaranteed to \$270,000 by Ammtec, and by Intec and Ivanhoe as to the balance.

The deal comes after WestMet and Intec agreed in June to jointly look at ways of developing Hellyer. However, the next month WestMet slid into administration and its secured creditors, owed around US\$225 million, appointed David McEvoy and Steven Longley from PricewaterhouseCoopers as receivers and managers.



WestMet's Mt Gordon copper project has already been sold to India's Birla group for \$20-21 million, while Canadian major Teck Cominco has paid \$26 million for the Lennard Shelf zinc operations.

Hellyer, currently on care and maintenance, comprises the Burnie metallurgical research and development facility, Hellyer mining and exploration tenements – including Que River and the Hellyer tailings dam – and the Hellyer mill.

IVNL is acquiring the Burnie facility on trust for Ammtec for an attributable price of \$270,000. It consists of freehold property, including several buildings, and numerous items of plant and equipment.

According to Intec, the Hellyer tailings dam has been expertly maintained and contains significant amounts of gold, zinc, lead, silver and copper – in descending order of value – above ground which, at current metals prices, have an aggregate in situ value of around US\$1.2 billion.

The high metal values in the tailings dam are due to the refractory nature of the original Hellyer ore, from which, despite state-of-the-art crushing, grinding and flotation circuits at the Hellyer mill, less than 80% of the contained zinc was recovered, while precious metals recoveries were very low, Intec said.

However, it said preliminary testwork has indicated the Intec Process can achieve significantly higher gold and silver recoveries from the refractory tailings than those delivered by conventional cyanide leaching methods.

It also said its chloride-based leach circuit achieves very high extractions of Hellyer tailings' zinc, lead and copper values.

The Hellyer tailings feedstock has been used during this month in the commissioning of Intec's recently constructed gold process pilot plant in northern Sydney funded by Ivanhoe.

In 2004 a full pilot plant campaign will be undertaken leading to the design, construction and operation of a polymetallic demonstration plant at Ammtec's Burnie research facility.

Intec said although the employment of most WestMet personnel at Burnie would be terminated, it expected the majority to be offered new positions with Ammtec in Burnie under the leadership of Dr Geoffry Richmond.

Intec shares closed up 0.5c at 11c.

**Aspermont Limited**  
**Street Address** 613-619 Wellington Street, Perth WA Australia 6000  
**Postal Address** PO Box 78, Leederville, WA Australia 6902  
**Head Office Tel** +61 8 6263 9100 **Head Office Fax** +61 8 6263 9148  
**e-mail** contact@aspermont.com **website** www.aspermont.com **ABN** 66 000 375 048