



## Intec signs Hellyer tailings deal

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### **MINERALS processing company Intec has signed a heads of agreement with Western Metals to investigate the feasibility of jointly developing WestMet's Hellyer metals project.**

WestMet and Intec will consider a project configuration involving the production of a bulk zinc-lead-silver concentrate, followed by the treatment of residual material by the Intec refractory gold process to recover the remaining gold and silver as well as other potentially economically valuable by-products.

Preliminary metallurgical test work carried out on samples of Hellyer tailings indicated the IRGP could achieve gold and silver recoveries which are significantly higher than those delivered by conventional cyanide leaching methods.

The agreement between the companies provides a staged work program of three phases. The first stage is the continuation of the current laboratory test work program to optimise work conducted to date by both companies. The second stage is to construct and commission Intec's planned IRGP pilot plant facility in the second half of this year. The final stage is to undertake the project feasibility study.

If the investigation determines that the project is financially viable WestMet will grant Intec equity in the project and in return Intec will provide the project at the time of its completion with a zero royalty IRGP technology licence.

The project involves the re-treatment of the existing tailings dam at the Hellyer mine site. Since the mine closure in June 2000 the processing plant and infrastructure has been maintained at a high standard.

Hellyer ore was a fine-grained complex massive sulphide that was difficult to process. Despite a state-of-the-art flotation circuit, less than 80% of the contained zinc was recovered and precious metal recovery was very low. The unrecovered metals are contained in a single tailings dam at the mine site.

There are 10.9 million tonnes of tailings stored at Hellyer, including 900,000oz of gold at 2.6gpt, and 31 million oz of silver at 88gpt.

Intec is currently undertaking a rights issue to raise \$2.63 million to develop the IRGP further.

Intec was unchanged at 3.5c on the Australian Stock Exchange in late morning trade.

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