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Intec transferring assets

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INTEC is a step closer to transferring its exploration assets near its Hellyer metals project in Tasmania to Resource Finance & Investments, a company chaired by Don Boyer that is planning an ASX listing in 2005.

A conditional term sheet has been drawn up with Intec to transfer three mining leases, two exploration licences and a retention lease covered an area of 68 square kilometres in and around, but excluding, the Hellyer mill and tailings dam complex.

In return Intec will have a 43.8% (on an undiluted basis) in RFI and the right to a board seat, with that director to join Boyer and DJ Carmichael's Craig McGown and Paul Benetti.



RFI has finalised a mezzanine raising through clients of Carmichael, resulting in 10.25 million shares being issued. The junior has cash on hand of more than \$350,000 and a further cash commitment of \$700,000 callable following the acquisition of the exploration tenement package.

The junior's tenement package will also include the Mt Charter gold and silver project, the Que River 'S' Lens copper and silver project.

Intec chief executive Philip Wood said Intec was pleased to retain a significant stake in the potential value of its Hellyer exploration assets which would be optimised by RFI as an ASX listed company.

Intec secured \$12 million to develop the Hellyer project through to BFS stage and project financing in October via a share placement and share purchase plan.

The company has completed a feasibility study which indicated the treatment of tailings at a rate of 1 million tonnes per annum for 11 years would cost \$153 million and generate annual revenue of \$103 million, with operating costs of \$35 million, net annual cash flow of \$67 million and an NPV pre-tax of \$258 million (post-tax \$165 million).

A second scenario considered involves the treatment of 600,000tpa for 21 years at a cost of \$137 million.

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