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Intec in the money

Thursday, 28 October 2004

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INTEC has secured \$12 million in funding to develop its Hellyer base metals project in Tasmania through to completion of a bankable feasibility study and project financing.

The capital raising is comprised of a share placement and a share purchase plan. The \$7 million placement, managed by Grange Securities and RFC Corporate Finance, saw shares priced at 6.9c placed with sophisticated and professional investors.

Intec shareholders will be offered shares under the share purchase plan, also at 6.9c per share, to raise \$5 million. The offer is underwritten by Grange securities.

Shares were last trading at 8.9c and are in a trading halt until Monday.

Intec previously announced it would require \$15 million and today said the remaining \$3 million came from a corporate party but didn't involve the issue of any shares and was not a debt instrument.

The company has completed a feasibility study which indicated that 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). The internal rate of return pre and post tax came in at 38.6% and 30.1%.

A second scenario considered involves the treatment of 600,000tpa (including 100,000tpa of EAF dust) for 21 years costing \$137 million resulting in annual revenue of \$85 million, annual operating costs of \$28 million, net cash flow of \$56 million, an NPV of \$317 million and \$205 million (pre and post tax) and IRRs of 36.6% and 29.3% respectively.



Nippon's Intec pilot plant

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