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Intec's Hellyer show on the road

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INTEC has appointed Grange Securities and RFC Corporate Finance as joint lead managers for its pending \$15 million capital raising which will take its Hellyer base metals project in Tasmania through to production.

The raising includes a \$10 million institutional and corporate placement and an underwritten \$5 million shareholder purchase plan. The capital raising will be conducted and priced by way of a book build.

Earlier this month Intec 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%.



Nippon's Intec pilot plant

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.

The project has previously received government support through a \$1.43 million R&D Start Grant and minister for the local Warringah electorate Tony Abbott MP visited the newly commissioned Sydney Pilot plant last week.

Intec major shareholder Robert Friedland's Ivanhoe Mines has also invested heavily in the project.

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