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Hellyer Metals Project gears up for 2006 production - Part 2

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As an indication of how prices for commodities have risen in the last year or so and how they have enhanced the Hellyer Metals Project, when RESOURCESTOCKS spoke to Intec in May last year, the same Hellyer tailings resource was worth about \$1.6 billion.

Wood said the newly staged development of the Hellyer Metals Project was aimed at securing the earliest possible cash flow to fund ongoing project development, thereby minimising necessary recourse to external financing and hastening returns to shareholders.

"The major difference between Intec and other similar companies is that we already have existing, proven, above-ground resources and the processing facilities and technologies to treat them. We can therefore provide nearer term metals products in response to current high prices," he said.

"This is why we are opting for the three-stage development model for the Hellyer Metals Project, which brings forward much earlier and significant cash flow, with lower upfront capital expenditures and perceived technical risks, without losing sight of our unique metallurgical vision."



Philip Wood

Intec listed on the Australian Stock Exchange in May 2002 and on the Deutsche Boerse earlier this year, to further develop and enhance its patented chloride hydrometallurgical Intec Process that produces high purity base and precious metals from sulphide ore concentrates.

The process has substantial cost and environmental advantages over both conventional smelting and sulphate-based hydrometallurgical processes.

Originally developed for copper resources, it can economically unlock valuable base and precious metals from a wide range of sulphide and oxide deposits and improve the economics of operating mines and downstream processing facilities.

Intec's pilot plant for the Hellyer Metals Project was built in Sydney in 2004 and ran successfully on tailings from Hellyer, the base metals mine operated by Aberfoyle and then Western Metals between 1989 and 2000.

The Hellyer ore had a complex refractory nature, which led to a significant part of the valuable metals being lost to the tailings dam.

Beginning in 2005, Intec designed, constructed, commissioned and now operates continuously a demonstration plant at Burnie, 80km north of Hellyer, which was officially opened by Tasmanian Resources Minister Bryan Green in September 2005.

The Burnie demonstration plant is now treating a blend of Hellyer polymetallic tailings, EAFD from Smorgon Steel and OneSteel, and will shortly treat Zeehan lead smelter slag.

The demonstration plant is running in close parallel with WorleyParsons' bankable feasibility study for the overall Hellyer Metals Project.

WorleyParsons' recent merger with Canadian firm H.G. Engineering, with which Intec has had a long-standing partnership, will conveniently see a lot of the engineering work on the Hellyer Metals Project brought back to Australia.

Wood acknowledged there had been delays of quite a few months on the BFS due to the inevitable frustrations of running a demonstration plant, "but we are finally getting good data from it in steady state and should have all the information we need by the time we close it down in mid-August".

Macquarie Bank has been appointed as lead manager for financing of the staged Hellyer Metals Project.

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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