

# Profitable plans ahead for Intec

The Hellyer Zinc Concentrate Project is a lucrative prop to Intec's big plans, reports **Janine Martin**

Intec is making all the right moves. In 2004, the technology company forked out \$1.29m to purchase the Hellyer Metals Project in north-west Tasmania.

Assets in the deal included a 55ha tailings dam, buildings and site infrastructure, and a polymetallic mill on care and maintenance (which has

repaid Intec's investors many times over).

When metal prices soared last year, Intec was able to harness the mill to generate funds for the company's larger purpose – the commercialisation of its patented Intec process.

The Intec Process is a halide-based hydrometallurgical technology for the recovery of base and precious metals from a range of mineral resources.

And the Intec Hellyer Residues Project (IHRP) – to be constructed and commissioned next year – will be the first commercial application of the Intec Process.

The Hellyer Zinc Concentrate Project (HZCP) plays a pivotal role in the company's ambitious plans, as it feeds funds into the IHRP.

"The HZCP is an important source of short- to medium-term revenue, but we are trying to get the message across that the true value of Intec lies in the blue sky potential to be derived from the commercialisation of the Intec Process technology," said Dave Sammut, corporate development manager, Intec.

As the conventional grinding and flotation technology employed in the polymetallic facility to extract zinc, lead and silver from tailings recovered from the dam, is not the company's area of expertise, Intec turned to the Polymetals Group – the largest unlisted minerals processing company in Australia.

According to the 50/50 joint venture agreement, Polymetals poured in \$6m towards the costs of restarting the Intec Hellyer Mill.

Polymetals will also operate the mill for a period of four years

or six million tonnes of tailings treated – whichever comes first.

Intec retains full ownership of the mill, and at the end of the joint venture, it can purchase Polymetals' share for \$1.

The arrangement is thriving.

Polymetals brought the mill back online quickly, and in December 2006, the HZCP joint venture became the only new producer of zinc in Australia last year.

Operating at a feed rate of about 1.5 million tonnes of tailings per annum, the mill's production levels have been "excellent", with regular monthly shipments of 5,000 tonnes of bulk zinc concentrate departing the Port of Burnie after the initial settling down period.

Record production was reached in May, primarily due to the use of a longer cutting arm to dredge a high-grade zone in the tailings resource.

The average zinc grade in the tailings fed to the mill during the month was 4.1 per cent, compared to the resource-wide average of 2.8 per cent.

The result was an impressive 5,707 tonnes of bulk zinc concentrate grading 40 per cent zinc, 8 per cent lead and 115 grams per tonne silver.

Strong production continued in June and a return to normal levels occurred last month.

The Hellyer Mill complex comprises a primary crusher, SAG mill, ball mill, three tower mills, differential flotation circuits, filtration, and all other necessary infrastructure (such as concentrate storage and loading facilities) to support the production of base metal concentrates.

Along with Mt Lyell in the south and Rosebery/Renison in the centre, the Intec Hellyer Mill dominates ore processing capability in the northern section of the Mt Read Volcanics Belt in north-west Tasmania.

As such, Intec views the Intec Hellyer Mill as a major strategic asset in the reinvigorated Tasmanian mining environment.

According to Mr Sammut, the particular demographics of North West Tasmania offer Intec a number of advantages in respect of labour as well.

"Indeed, a significant proportion of the current workforce at the HZCP was formerly employed at the mill (prior to its closure in 2000), allowing the HZCP to benefit from a pool of pre-existing experienced and knowledgeable staff for the project," he said.

The HZCP team ensures production continues at the annual rate of around 60,000 tonnes per annum.

Two-thirds of this production is currently sold under long-term, formula-based contracts to two Chinese smelters.

"Our existing customers are pleased to take all of the production from the HZCP, over and above the contracted quantities," said Mr Sammut.

The 10.9 million tonne Hellyer Tailings dam resource contains (along with lead, silver, gold and copper) 305,000 tonnes of zinc at an average grade of 2.8 per cent, which alone has an insitu metal value of over \$1.1bn.

Intec also holds 23.5 per cent of Bass Metals, which is drilling a number of exploration targets around Hellyer and the minerals-rich zone of north-west Tasmania generally. Between future Bass Metals discoveries and other third party ores, Intec intends to keep operating the Intec Hellyer Mill for many years to come.

Now, that's valuable fodder for Intec to get its novel process out and about. ■



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A view of the Intec Hellyer Mill.