



Group Hellyer operations general manager Andrew Platts and projects manager Andrew Lawry in the Hellyer mill

## Tails retreatment project now under way

The Intec Ltd/Polymetals Group's JV on the retreatment of old tailings from the Hellyer mine on Tasmania's West Coast was scheduled to make its first shipment of 5,000t of zinc concentrate to China on Australia Day.

When **Paydirt** visited the site 80km south of Burnie early in January the Hellyer plant was ramping up to its design production capacity of 1.5 mtpa of concentrate containing 39%-40% zinc.

The mill, once operated by Aberfoyle Ltd and Western Metals, had been on care and maintenance since June 2000.

Hellyer operations general manager Andrew Platts said mill feedstock was being sourced from 11mt of tails left on the minesite by the previous operators.

Recommissioning operations got under way in November when a dredge began work on the tails dam 3km uphill from the mill.

Platts said the mill refurbishment had cost about \$5 million and this had included revamping the original Hellyer mill float circuit, which was producing copper, gold and zinc concentrate, into one producing a single bulk zinc concentrate.

The project currently has a workforce of 40

with the dredge operating on two shifts a day and the mill operating on four shifts.

Intec and Polymetals last year agreed the terms of the unincorporated joint venture agreement.

Intec managing director Philip Wood says the Hellyer Zinc Concentrate project (HZCP) JV is uniquely positioned to start concentrate production quickly and at low cost. Its already-granted mining lease at Hellyer comprises a substantial above ground zinc-bearing tailings resource in immediate proximity to the modern large-scale Hellyer Mill, which is both well-maintained and available.

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-western Tasmania.

Wood said Intec views the Intec Hellyer mill

as a major strategic asset in the reinvigorated Tasmanian mining environment.

The HZCP currently has two offtake agreements with leading Chinese smelters totalling over two-thirds of the 65,000 tpa bulk zinc concentrate "base case" production. Strong demand has been received from these and other smelters for the remaining 20,000 tpa of expected non-committed "base-case" production. Under the terms of the sales contracts, the HZCP is paid 90% of the consignment value soon after the concentrate leaves port.

Wood said provision had been made in the engineering of all HZCP unit operations to increase the mill throughput from 1.5m to 2 mtpa. This can be achieved by optimal utilisation of the existing equipment, rather than by additional capital investment.

The increased feedstock can be sourced from the Hellyer tailings dam, the nearby Que River mine being brought into production early next year by Bass Metals Ltd, in which Intec has a 18.5% stake, and/or from the numerous other current and emerging regional producers who have expressed interest in supplying the Hellyer Metals project, Wood said.